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# PM fuddles, jobs vanish



**Labor posing struggle  
for shorter work week**

02-01-1

By P. Kent

The Number One problem confronting the country from coast to coast is unemployment. That's how the over 2¼ million strong Canadian Congress of Labor and its political arm, the New Democratic Party, see it. And it is on these grounds that have presented a series of demands to meet this crisis—over one million unemployed, with workers between 15-24 (27% of the population) accounting for 48% of the jobless, and in some areas, entire towns and communities facing disaster.

When challenged to act last month, Prime Minister Trudeau openly declared that his government has no special plans to counter the raging inflation and unemployment. He brushed aside the demands of the opposition with the comment that there are bound to be "ups and downs" in the economy, as if this was at worst a short downer. Unemployment Minister Cullen intoned in the house the old adage about the tortoise and the hare—"slow and steady wins the race," and told reporters that the system "is probably working as well as it can." The unemployed's futile job-seeking at plants already drastically paring back their staff, he cynically said, "is probably one of the greatest assets we have going for us."

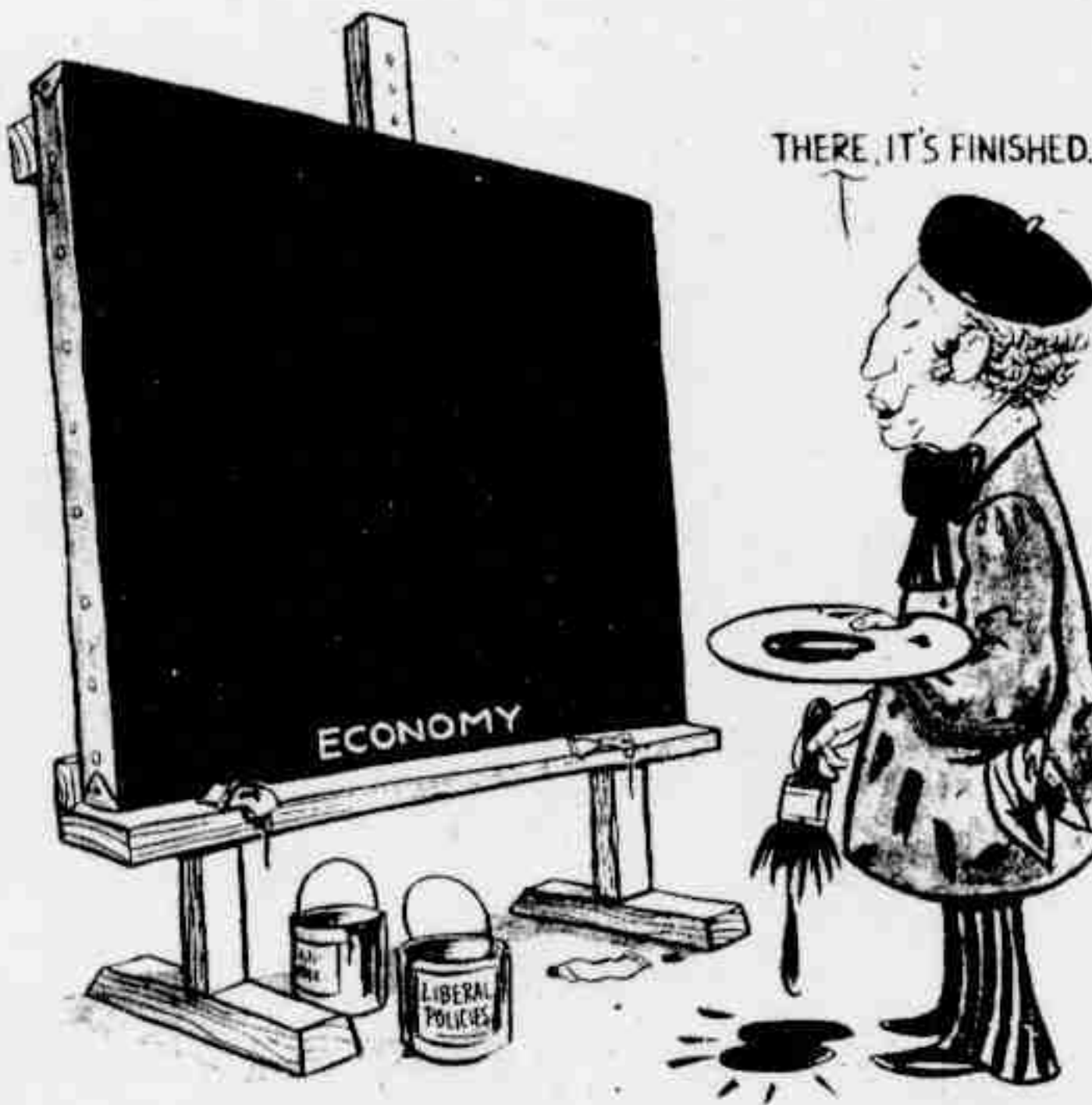
mands that "a greater share of future investment is used to strengthen and diversify our manufacturing."

This of course does not negate the immediate demands that labor and the NDP are making, which it is now apparent the government could only be compelled to concede when faced with a truly massive popular mobilization. But there is one demand that has been coming to the fore which even the smallest local can feed into and help to mobilize the pressure for government implementation of it and other of labor's demands—that is the shorter work week at the same take home pay, sometimes expressed in the slogan 30 for 40—30 hours work for 40 hours pay.

In order to increase employment opportunities for their own members faced with layoffs, last fall's Canadian Paperworkers convention urged their locals to negotiate a shorter work week with no reduction in pay. The Saskatchewan Federation of Labor has complemented the CLC's program with a call for the implementation of a 32-hour work week. The 24th International Metal Workers Congress held in Munich, W. Germany last fall, called for a world wide struggle for the shorter work week. Such a demand would serve to unite the forces of organized labor and win the support of the unorganized and unemployed in a struggle that could hope to win other demands.

Not only has Trudeau committed his government to resist with everything at its disposal labor's demands for a vast program of housing rehabilitation, capital works projects, tax cuts for low and middle income families, etc. This month's federal-provincial meeting of finance ministers solidly lined up behind his zero-growth government spending. "They all agree," boasted Chretien, "that public spending cannot solve the problem. We must solve it through stimulating the private sector." While conceding nothing to the demands of the unemployed, the government has made it clear that it is going to give even more to the corporate rulers in the form of tax credits (at a time when there is too much capital and plant). They are even considering the Toronto-Dominion bankers' suggestion of an inverse income tax, which allows the corporations squeezing out the most profits to pay the lowest taxes.

Aware of the profound character of the present crisis, the CLC has now for the first time put forward a national industrial strategy. It aims to turn away the Canadian economy from an essentially resources extracting economy to the profit of the U.S. corporate elite and their Canadian corporate junior allies. Pointing out that "investment decisions can no longer be left solely to the market or private enterprise to decide," the CLC executive council statement of December 14-15 de-







# Opportunity to change course

By the editors

Close to 2,000 NDP supporters and activists will assemble in Toronto February 3-5 at the ITT Sheraton Hotel for the ninth bi-annual convention of the Ontario NDP.

The convention comes at a critical time in the lives of Ontario's working people and in the lives of NDPers. Record levels of unemployment, inflation, and the imminent destruction of Ontario's already underdeveloped manufacturing sector highlight the crisis of a resource-based capitalist economy dominated by U.S. multinational corporations. Nor is there any prospect of meaningful improvement.

The future path of the NDP must be analyzed in the context of the chronic crisis of capitalism. The period of consistent economic growth, during which labor governments won reforms in the past, is now winding to a close, both in Canada and in the rest of the industrialized world. Socialism is increasingly becoming a question of burning necessity which can no longer be relegated to the sweet by and by.

The moderate reform perspective of the current NDP leadership has proven itself incapable of building a movement to hold back the developing capitalist offensive against social services. In Manitoba and Ontario, the NDP has suffered major electoral setbacks, notwithstanding the so-called moderate image cultivated by the leadership. In this arena too, the times cry out for new directions.

Together with the economic crisis, the election results have created an increasingly critical attitude in the minds of NDP activists. Members increasingly reject the idea that socialist principles must be sacrificed for ephemeral electoral gain, or that the leader shouldn't be bound by any program. The Dovercourt Resolution (unfortunately dropped from the convention floor on the dubious grounds that it only restates party policy) and numerous resolutions on public ownership indicate this new mood in the ONDP.

Although several dozen excellent resolutions have been submitted in all policy areas, perhaps the most important discussions will occur in the section on Industry and Economic Strategy. Policy adopted in this area will set the tone for the party's activities in the next period. Two priority resolutions from Dovercourt and Nickle Belt call for the immediate nationalization of INCO and Falconbridge and offer a formula for placing these companies under public control. A further priority resolution from St. Davids offers a

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Editor: Wayne Roberts

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## Convention challenge

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detailed program for an economic strategy, stressing public ownership. Another priority resolution promoted by Dan Heap calls for social ownership of the means of production and suggests the forms this will take.

In summarizing the challenges before delegates, a recent article in the St. David's constituency newsletter, endorsed by the riding executive, projects the choice of directions for the party. "The dialogue taking place in the *New Democrat* over the Caplan letter, and most sharply posed by ONDP President, Jim Turk, boils down to whether or not the party is to continue trying to prove it can run capitalism more efficiently, or is it necessary for us to get 'back to basics' and pose the need for socialist planning.

"We opt for the latter. We also believe that is the key issue that faces this convention. There are a number of policy resolutions coming on the floor within that framework and delegates should not be diverted by the hoopla of picking a leader."

We welcome delegates to this important convention, and to the struggle to build the NDP and turn it toward a program of socialism.

## Branch plants pack up

With unemployment in Canada at its worst since the Depression, with a million workers jobless, the announcement of large-scale and extended layoffs from U.S. branch plant operations in Canada strikes a severe blow to thousands of Canadian families.

So far, a partial list includes the following U.S. subsidiaries: 800 at Chrysler's Windsor plant, 450 miners at the Aluminum Co. of Canada's fluorspar mine in Newfoundland, 708 at Christie's Bread in Toronto, 300 at the Ford Assembly line in Oakville, 300 at Bethlehem Steel's iron ore mine near Peterborough, and 400 at International Harvester in Hamilton. Even the Thom McAn shoe store chain is closing down its 16 Canadian stores. 875 workers at Anaconda Canada Ltd. in Etobicoke may also be losing their jobs as Atlantic Richfield of Los Angeles, which recently bought Anaconda's parent company in the U.S., contemplates whether to close or look for a buyer.

Coming on the heels of the INCO and Falconbridge layoffs, which threw 3,000 Canadians into the streets and threatens the entire Sudbury basin, these layoffs are a product of the natural flow of U.S. capital back home in a time of economic rationalization, aided by the "bring 'em back home" tax cuts for U.S. corporations recently announced by the Carter administration. Even former federal Liberal finance minister Walter Gordon stated January 19 that U.S. control of Canadian industry which prevents these subsidiaries from vying for world markets with their parent companies, results in lost jobs for Canada.

As U.S. subsidiaries pack their bags, a University of Alberta economist, Tom Powrie, announced the results of a comprehensive study covering the role of U.S. capital in Canada since 1950. His conclusion showed foreign capital playing a minimal and insignificant role in developing the Canadian economy, and exposed the continentalist myth that foreign investment creates jobs for Canadians, and strongly suggests that these investments are in fact hurting our standard of living.

Another important study by Ottawa consultant John L. Orr, issued by the Committee for an Independent Canada, argues that "Canada is well on her way from being a branch-plant economy to becoming a warehouse economy...More particularly, because of

their technological dependence, they (foreign-owned subsidiaries) are generally incapable of developing new or original products, thereby limiting the future growth of our industrial sector and denying Canadians the opportunity for creative and rewarding employment."

With the exception of the car industry, U.S. subsidiaries are largely concentrated in assembly-line and other peripheral economic ventures tied to the protected Canadian market. These branch plants are the first to close or move in a time of economic rationalization. Instead of updating plant equipment, thereby maintaining jobs, developing an export capacity and increasing its competitive position, U.S. capital would rather pull out or close down when capital costs cut into its bloated profits.

In return for exploiting our resources, our environment and our labor, U.S. capital expects these plants to ship their capital to the south, draining our economy, eliminating jobs, preventing the development of secondary manufacturing industries and creating a major environmental overhead in the resource industry.

U.S. branch plants, by their very position in their corporate structures, must respond to the needs of their head offices back home, and since this almost always means curtailing development of export-oriented Canadian subsidiaries, these plants will continue to drain Canada's capital needs while distorting the balance of Canada's economy.

Public ownership and public control—these tools can save jobs, keep these plants running and keep Canada's economy going. These tools can be used to assert Canadian workers' control and sovereignty over an economy controlled by U.S. capital.

The game is up on Ottawa's tall stories about how U.S. investment creates jobs and modernizes industry. The ties of investment capital to U.S. parents merely accentuates the parasitical role of capitalist production for profit. It is up to Canadian workers in the towns and industries affected to take over these plants, assert their control and sovereignty over the economy and begin the task of creating an economy responsive to the needs of Canadian workers.



# Socialist sues RCMP for slander

A slander action against the RCMP was launched on December 15, 1977 in the midst of the accumulating revelations of the RCMP's violation of the laws involving arson, theft of dynamite, an elaborately planned seizure and copying of the Parti Québécois membership list, illegal break-in into a Quebec news service with the purpose of rendering a civil rights organization inoperative and in order to obtain material to implement its now admittedly widespread efforts to cause factional strife in the socialist movement right across the country.

The suit has been launched in the Federal Court of Canada by Ross Dowson, longtime socialist activist who was executive secretary of, and thereafter chairman of, the League for Socialist Action from the time of its founding in 1961 until 1974 and a leading figure in the Canadian Trotskyist movement since the 1940's.

There are a number of significant aspects to this court action which provides it with a unique opportunity of becoming a focal point for opposition to the illegal and undemocratic repression of radical and socialist views being daily perpetrated by the Royal Canadian Mounted Police today and extending back since the turn of the century.

In the following interview, Dowson explains the nature of the action which he has launched and the important political implications of it. The interview was conducted on the 30th day of January, 1978, by Forward.

Editor's note

Q. Would you please give us some background as to how this suit arose?

A. On November 1, 1977, Stephen Lewis, then leader of the New Democratic Party, asked Roy McMurtry, Attorney-General of Ontario, in the Legislature whether the New Democratic Party was under

surveillance or subject to investigation by the Royal Canadian Mounted Police.

Mr. McMurtry filed a report in the Ontario Legislature on December 9, 1977 containing a summary of information provided to Mr. R. M. McLeod, acting assistant Deputy Attorney-General of Ontario, who met with RCMP officials in order to obtain the information necessary to respond to Mr. Lewis' inquiries. The statement released by Mr. McMurtry indicated that the RCMP did investigate the New Democratic Party during the period 1971 to 1973. The statement, in summary form, justified RCMP investigation of the NDP and the Waffle on the grounds of the latter organization's alleged invitation to persons, who the RCMP defines as subversive elements, to join the NDP. These persons are further defined as ex-members of the Communist Party of Canada and members of the Canadian Trotskyist movement, specifically mentioning the League for Socialist Action. This organization represented Trotskyism throughout the sixties and I was a leading member of it until 1974.

The statement slanders the League for Socialist Action by referring to the organization as being subversive and by implying that the League for Socialist Action tended "to promote changes brought on by violent and undemocratic means and thereby attract the attention of the RCMP in the interest of national security."

The statement states that the leaders of the League for Socialist Action in fact directed their members to join the Waffle group, a left wing formation in the NDP. It goes on to say that the RCMP investigation of certain members of the Waffle group "established that subversive elements penetrated the NDP through the Waffle in order to

gain more respectability, credibility and influence. Although the RCMP investigation concentrated on individuals of security interest, inquiries were broadened sufficiently to put the activities of these individuals in proper perspective. The investigation was de-emphasized after the NDP decided to rid itself



Ross Dowson

of the Waffle. The individuals of concern to the RCMP, having lost the legitimacy of membership in the NDP also lost interest in the Waffle." The statement however emphasized that "the RCMP concern with these individuals was not reduced but any concerns that the RCMP had that these subversive elements were using the Waffle as a means of penetrating the NDP and therefore as a means of acquiring credibility and influence was accordingly eliminated."

Socialism, Communism, Trotskyism, that is, Marxism as an ideology,

has long been subject to slander—with Trotskyism in recent weeks being singled out for special attention by such persons as the Prime Minister and the Solicitor-General. On this occasion, in a statement drawn up with the Ontario Attorney-General's office and released to the press, the RCMP has named a specific organization and designated its leadership as subversive—that is, as an organization tending to promote changes brought on by violent and undemocratic means. In present-day society, this makes one subject to prosecution under the Criminal Code, not to speak of making all of one's views, no matter what their appearance, suspect of having a sinister aim resulting in ruptures in family relationships, loss of friends, the jeopardizing of employment possibilities, and so on. There is no doubt that such harassment has gravely crippled the free development of the movement to which I and my associates have dedicated our entire lives.

As the leader of the League for Socialist Action for most of its existence and as a leading proponent of Trotskyism in Canada, I feel it is incumbent on me to respond to this slander of Trotskyist ideas as subversive and its organized political expression at that time, the League for Socialist Action, as a subversive organization.

On the advice of counsel, a Notice under the Libel and Slander Act was served on the Federal Government and an action for slander was commenced in the Federal Court of Canada on December 15th, 1977 by myself. I am claiming special damages in the amount of \$50,000 and general punitive and exemplary damages in the amount of \$450,000.

Though punitive and exemplary damages are being claimed in the suit, its main purpose is to establish the legitimacy of socialist and

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communist views as ideas which may be legally held and promoted in Canada by lawful means. The RCMP slander is nothing less than an attempt to outlaw socialist currents of thought and provide an excuse and cover for RCMP activities fundamentally directed against the labor movement and its political arm, the New Democratic Party. It is not just myself, all those who were members or sympathizers of the LSA, and ex-Communists, but the Waffle and the New Democratic Party itself which has been slandered by this RCMP interference in its internal affairs.

For this reason, though the suit takes on a personal form in as much as I am the plaintiff, what is really at stake is the right to hold dissenting views and in particular the legitimacy and legality of socialist views. For this reason, this law suit really belongs to the entire left and defends everyone's right to dissent. Q. What will be the main issues at trial?

A. I have been informed by my lawyer, Harry Kopyto, who is a civil rights practitioner and a member of the NDP like myself, that the court will have to decide whether Trotskyism is subversive as an ideology and, as the League for Socialist Action practised it. Thus, the entire principles and program of revolutionary socialism will be relevant evidence in the trial.

Q. Could you give us some details as to the nature of the legal proceedings?

A. The suit, of course, is framed as an action for slander and it will be heard in the Federal Court of Canada, which I understand has jurisdiction in most suits against the federal government and its agencies. Since the Federal Court Act declares the RCMP to be a servant of the federal government, the suit itself names "Her Majesty the Queen" as the Defendant.

I have been advised that this suit can go to trial within a one year period from the time of its commencement.

Q. How do you plan to conduct the political defence of this case?

A. It is our hope to achieve the widest unity and support for this action through an all-embracing defence committee. We are presently approaching civil rights and radical groups to discuss in detail the basis for co-operation. On top of that, we are going to need considerable financial aid to cover the many costs of conducting such a defence—we are setting up a foundation to which contributions can be sent. In the meantime, supporters can make cheques payable to Socialist Rights Defence Fund, c/o Harry Kopyto, Barrister and Solicitor, 390 Bay St., Ste. 700, Toronto.

# McDonald hearings cover-up for RCMP

By Ken Napier

As the Quebec Keable Commission continues to uncover the story of the RCMP machinations against the Quebec left, the Trudeau-appointed McDonald Commission hobbles from city to city hearing "controversial" evidence behind closed doors, declining to test the veracity of Donald Cobb, the RCMP bureaucrat who masterminded the Agence Presse Libre break-in, and other RCMP apologists and convicted criminals by cross-examination, refusing to grant status to lawyers of the Canadian Civil Liberties

Association and other human rights groups to cross-examine witnesses, and trying to limit its public hearings to proposals for change of RCMP procedures and away from RCMP revelations of wrong-doing.

So clearly has the McDonald Commission failed to live up to its mandate of determining the "extent and prevalence" of outlaw RCMP investigative activity that even the staid Canadian Bar Association in its January 1st newsletter carried the headline "Reporters suspicious as McDonald hearings open". They were particularly alarmed at RCMP harassment of an investigative reporter in the Maritimes.

The entire role of the Commission was aptly symbolized when Justice McDonald in the opening sessions withdrew a question to RCMP Security Chief Murray Sexsmith concerning unrevealed illegal RCMP acts, apologizing to the RCMP for any suggestion that the force had been less than totally co-operative.

The critics of the Commission who have come forward at its cross-country sessions to challenge the Commission to fulfill its mandate include the Canadian Federation of Civil Liberties and Human Rights Associations, whose lawyer, David Gibbons said: "If Watergate had been conducted the same way as this inquiry, Nixon would still be President." The Law Union of B.C. and Ontario have attacked the "apparent bias" of the Commission and B.C. Law Union spokesman Craig Paterson stated "We are seriously concerned that attempts are being made to use this commission as a political propaganda machine and to further evade democratic political accountability by this government." He also called for all groups in Canada considered subversive to be notified of Commission hearings "so that they may come forward and challenge such allegations." Even the Toronto Star, normally a Liberal lapdog, stated editorially on January 14, "About all (the Commissioners) are likely to do is to provide a forum for those who want a whitewash report from McDonald."

During its Toronto sessions, January 18, the Canadian Labor Congress announced it had reasonable grounds to believe that the organized labor movement was and is subject to surveillance by the RCMP. Representing 2.1 million workers, the CLC executive secretary, John Simonds, stated that the RCMP recruited "people from the labor movement to act as spies and to report on the activities of the union leaders". The brief stated that the CLC would ask the right to have its lawyers cross-examine witnesses and stated that the RCMP cannot easily distinguish between subversion and legitimate dissent. It called for the RCMP to be replaced by a civilian security service stripped of police powers, overseen by an all-

party parliamentary committee or ombudsman reporting to Parliament.

As McDonald tried to hold the reins at the Commission's hearings in Toronto, Ross Dowson, a Forward contributor presently suing the RCMP for labelling his political activities "subversive", challenged the Commission to meet its purpose. He criticized the Commission for restricting its hearings to "general" proposals, instead of investigating complaints and amassing the facts of RCMP criminality. In a written brief submitted to the Commission, Dowson challenged McDonald to call before the Commission at "it's Toronto sessions Mr. R.M. McLeod, acting assistant Deputy Attorney-General of Ontario and RCMP officials with whom he met whose statements" alleged that Dowson and others are "subversives". Any evidence related to such a charge must be made available to the accused, Dowson demanded. "To permit any other course of action would lay part of the essential underpinnings of a totalitarian police state."

The Toronto sessions also witnessed astonishing revelations from Richard Fidler of the Revolutionary Workers League about a plethora of RCMP dirty tricks and illegal acts directed against the League for Socialist Action over a period of many years. Also speaking was William Kashtan who declared on behalf of the Communist Party that charges of subversion by the RCMP were designed to outlaw socialist ideas.

In his oral presentation to the Commission, Dowson remarked on the unmasking of RCMP illegalities including "the revelation that RCMPers themselves, with the full knowledge and sanction of top RCMP officials, actually issued in the name of the FLQ a call to armed insurrection against the government, which included a denunciation of a prominent FLQ supporter who urged the rejection of terrorism as a method of armed struggle".

Dowson challenged the Commission to urge enforcement of the law against RCMP illegalities and urged a "corrective, educational campaign" to make it "clear that dissent is not only legal but that it is a completely healthy development". Dowson called for an immediate end to RCMP "interventions in the internal affairs of the labor and socialist movement." In light of Canada's severe constitutional crisis, he proposed consideration of "a popular assembly charged with drafting a new constitution" which would replace the RCMP with "a profoundly democratic institution not removed from day to day contact with the people and alienated by rules and regulations designed to serve that purpose, but one in constant touch with the working people and organs of popular administration of this new society."

02-01<sup>st</sup>-3D



**An appreciation of Penner's book**

# The Canadian Left - - a critical analysis

By Ross Dowson

Of all the books, pamphlets and articles that have come out of the radicalization of the sixties—and they truly do constitute not only a quantitative but a qualitative advance in socialist thought in this country—Norman Penner's *The Canadian Left—a critical analysis*, is one of the most important. Certainly it is the most stimulating and the most controversial.

According to Penner: "In Quebec it was the Quiet Revolution and the new Quebec nationalism that gave socialism its impetus in this period. In English Canada it was a new national consciousness that arose in the wake of the crisis of U.S. imperialism and the perceived threat of U.S. domination of Canada, that produced as one of its consequences the radicalization of the youth movement and out of that, the growth of a new socialist variant."

The major concern of the new socialist intellectuals who have come out of this radicalization, such as Clement, Naylor, Panitch, Teeple, Gonick, Laxer and Rioux, has been the development and structure of the Canadian economy and the politics of those who have controlled it, the indigenous Canadian and the imperialist British and U.S. capitalist class. From this foundation, these sometimes called "left nationalists," like Marx and others who have followed his inspired lead, stand in the anti-capitalist opposition—with the working class and for socialism. While all to varying degrees identify themselves with the politics of the left, they have only in part dealt with the implications of their work for that class. With this book Penner moves into that gap.

To be sure, others have assayed aspects of Canadian working class politics—the early socialist movement, the farmers movements, women at work, the Communist Party, the CCF, the NDP, and the trade union movement. Some of this work suffers from the authors' lack of any real experience in the movement, from the fact that it is pioneering; and some of it is narrowly partisan and self-serving. In general it has not met the basic requirements of a really scientific historiography.

But there could be no greater theme. Official histories record the doings of specialists in the line of ruling—kings and queens, ministers, bureaucrats, parliamentarians, journalists. In Penner's book, we see the strivings of the working class to enter into the political arena on their own behalf, first attempting to utilize the instruments at hand, and then to build their own parties, to develop their own program and their own strategy that would eliminate the rule of capital over labor and lay the foundations for a socialist democracy.

Penner, unlike most academics, does not stand to the side pretending impartiality. He has a bias and, in respect of his readers, he makes no attempt to conceal it. In his summary words he turns to his fellow intellectuals who as Marxists, he says, have the "aim of influencing the direction of socialist thought along revolutionary lines." He tells the revolutionary socialists, the new Marxist groups, that "the role they attempt of competing with or replacing social democratic movements such as the NDP or Parti Quebecois is the least productive and most frustrating." He notes that "so far they have made little contact with the class conscious workers who support the NDP. Nevertheless," he expresses both the conviction and the hope that "as in the past, the activities of the Marxist left merge with those of the social democratic forces to strengthen the overall socialist presence in Canada."

The validity of Penner's critical analysis of the Canadian left, which opens with a short study of the shaping of Canadian ideology and the origins and genesis of the socialist idea to 1921, and his prescription for what he describes as a "new socialist variant," can be judged with the aid of the extensive material that he makes available in his book.

One of the myths that the leadership of the CCF and many NDP leaders today continue to foster is that Marxism is completely alien to Canadian political life, together with its Leninist-Trotskyist expression which they equate, when it suits their purpose, with its antithesis, with the practices of the acolytes of Stalin and his heirs at the head of the Soviet bureaucracy.

The ideology of the CCF-NDP, they incant, like the immaculate conception, springs uniquely from the Canadian soil; or, still thinking in the framework of the days when a British connection was the guarantee of legitimacy, they claim, that it was sired by the Fabian society.

Penner deprives the CCF and NDP ideologues of this odious privilege. The British immigrants didn't bring over the liberal-reformist ideology of the Fabians, but the Marxism of the Independent Labor Party. It was under this influence that the Canadian Left up to World War I was predominantly Marxist and "registered two main achievements: implanting and popularizing Marxist ideas, and building the trade union movement."

In the great wealth of carefully re-

searched information that Penner presents on the Communist Party, the CCF-NDP, and to a lesser degree on the Quebec socialist movement, three great themes predominate: the Canadian national question (Canada-U.S. relations), the labor party question (the NDP), and the Quebec question (nationalism and socialism).

It was the fledgling Communist Party, which predates the formation of the CCF by some twelve years, that first attempted to seriously come to grips with the Canadian political economy, and specifically the status of Canada—whether it was a British or a U.S. colony, a U.S. dependency, or an independent imperialist power in its own right. This debate, heralded once again with great passion some 34 years later in 1969 by the launching of the Waffle in the NDP, continues to this day in the Canadian Left.

The founding leaders of the CP considered that they were laying down the foundations for the vanguard party of the Leninist type, with a politics, not exclusively parliamentarist like the Fabians, but class struggle—mass action oriented—that would lead the coming Canadian socialist revolution. Yet despite all its promising connections, they were very much aware that at best it was only the nucleus of such a party. Outside its ranks were the great mass of the workers, organized and unorganized, whose mobilization would be required if the workers were to attain state power. And there were longstanding and powerful sentiments for a mass labor party, to which the Trades and Labour Congress responded in 1917 with the formal launching of the federated Canadian Labour Party. Hence, what has become known as the labor party question confronted the youthful CP even at its birth.

Even with the formation of the CCF in 1933, it was not until some ten years later that one section of the organized labor movement endorsed it as its political arm, and not until another 18 years that the united labor movement endorsed the New Democratic Party. Today, in the form of the NDP, the labor party question remains a pivotal question in the politics of the socialist revolution.

Penner's coverage of the Quebec Left and the challenge of the national question is sketchier than his coverage of the other two themes. But it is all the more important as a contribution to the question of not only where

Quebec is going, but Canada itself.

While Penner opens up the discussion of the Canadian national question with quotes from a March 1925 article by Tim Buck which argues, despite the Confederation of 1867, that Canada is "still a colony, still part of the Empire upon which the sun never sets," the party's recognized top theoretician, Maurice Spector, was already commenting in the pages of *The Worker* on the escalating displacement of British economic and political influence by that of the U.S. capitalist class. In a Nov. 24, 1924 editorial he challenged: "It is for the workers of Canada to work for complete independence from the ties of British imperialism and at the same time to gird their loins for the struggle against the Morgan dictatorship."

Penner notes Spector's important contribution of Jan/Feb 1928 in the first issue of the party's theoretical journal which he edited, and quotes extensively Tim Buck's swan song of January 1930. In it, Buck outlined the main parameters of the debate as he ignominiously capitulated to the Comintern dictate that Canada has a developed capitalist economy of the classic mould, an independent capitalist class, and is an imperialist power in its own right. Spector, by then brutally expelled for "Trotskyism" and fighting for his political life does not return to this question. Besides, the fate of the Canadian cadre is now being decided by other questions and events: in the streets of Berlin and the prisons of Spain—Stalin's theory of social fascism and the Popular Front—and in the Moscow Frame-up Trials which murdered Lenin's party.

This debate on the national question, which portended all the major questions posed today, would appear to have surfaced again in the CP in the fifties and sixties. But contrary to Penner, in our opinion, with a completely different purpose and in a totally different form.

Penner draws the ominous balance sheet: "With the expulsion of Maurice Spector, long recognized as its theoretical leader, in 1928, and of Jack MacDonald, its General Secretary, in 1929, the Canadian Com-

→ to p. 2



munist Party swung behind the Stalin leadership, and henceforth never wavered from that position."

Henceforth the Stalinized CP's analysis and propaganda would have little or nothing at all to do with a scientific analysis and a political program in the interest of the struggle for a socialist Canada, but everything to do with the varied conjunctural needs of the bureaucratic caste that had grown up in the isolated workers' state, in its maneuvers between the rival imperialist powers. They were determined not by the needs of the struggle for a socialist Canada, but by the requirements of "collective security" and "peaceful coexistence." Henceforth the CP's policy was class collaborationist to the core, resulting in a torrent of violations of the most elementary and basic principles of Marxism, and hence of the interests of the working class movement. Among them: an all-out campaign, rejected by the union leadership, to commit labor to a no-strike pledge during World War II; a mobilization of its forces which

failed to convince the Québécois to vote yes for conscription; the hailing of the U.S. bombing of Nagasaki and Hiroshima; and blatant support of the Mackenzie King Liberal Party to defeat labor's endorsed party, the CCF.

The labor party question—the problem of orienting to the working class as a whole, as they move from trade union consciousness to political consciousness — was met by the early Communist Party in a vigorous and innovative way. Instead of presenting the CP as an ultimatum to the workers, they boldly placed themselves in the thick of the struggle to build and shape the Canadian Labor Party. The party ranks joined the federated party and placed themselves at the head of building it. They developed a program of democratic and transitional demands and ran effective election campaigns which in some areas placed their members in civic office. Reflecting the centrality that it gave to the labor party question, the CP's General Secretary Jack MacDonald became,

at the same time, the president of Canadian Labor Party. In the columns of *The Worker*, Spector openly sided with CP leader Ruthenberg who, against the majority leadership of the U.S. CP, opposed the dropping of the labor party slogan there, in the face of the debacle of the La-follette campaign. Spector rejected the categorization of the Canadian Labor Party as a reformist or social democratic party, and instead projected it as having a revolutionary dynamic.

With the subsequent ebb in the radicalization and increasing red-baiting from the right, the Canadian CP faced increasing difficulties. With the Sixth Congress of the Communist International, the labor party question along with the national question became Trotskyist heresies and the Canadian CP was swung into an ultra-leftist direction. By 1933 and the founding of the CCF, the Communist Party was trumpeting the Comintern theory that social reformism and fascism are only different methods employed by the capitalists

to sustain their rule. Along with its all-out campaign against the CCF and its assault on the integrity of its leaders as social fascists, the CP concentrated its fire above all on the scattering of Marxists who helped found the CCF. Since then, with conjunctural modifications, the CP has waged a consistent war against the labor party as expressed in the CCF and now the NDP, and especially on left-wing formations that have persistently developed within them.

If the CP can still be conceived as being Marxist, as does Penner in his summary chapters, on what other grounds could this be than that it has persisted in rationalizing its policies and its existence with the rhetoric of Marxism. In reality it is a reformist party of a new type, which more than anything else has proven to be a graveyard for socialist cadre.

Problems of space do not permit us to deal with the important chapter "Roots and Sources of Social Democracy" on the CCF and the NDP. But the essence of Penner's conclusions could perhaps be said to be expressed in two sentences in the summary: "At every stage, the character of social democracy and the kind of leaders it produces reflect fairly accurately the level of class consciousness which the radical section of the working class has attained. It represents the spontaneous striving of these people towards a form of socialism."

In one of his summary chapters, Penner notes the emergence of several new Trotskyist groups alongside the Trotskyist movement's extended existence as the League for Socialist Action. He appears to attribute this, not to the efforts of its supporters to apply Trotsky's Marxist views insofar as they are relevant to the configurations of the Canadian class struggle, but to the resurgence of interest in Trotsky himself.

Nowhere does he deal with the Trotskyist movement as such, which has had a relatively high profile in the Canadian Left since 1945, particularly at the high point of the youth radicalization in the sixties, and, though of a more erratic character, nonetheless a continued existence ever since Spector and MacDonald launched it in 1930. Penner does not even list any of its publications in his bibliography of variegated newspaper

ers and periodicals of the Left.

This omission is unfortunate not from any petty, partisan point of view, but because much of what Penner discusses on the CP, and particularly the CCF-NDP, was reported on and analyzed in the Trotskyist press as it actually unfolded. And in this writer's opinion, in a way that parallels in many respects the analysis developed in this book. Perhaps Penner considers that, with the Stalinization and the failure of the first effort to build a revolutionary socialist vanguard, the second effort also failed, for no matter what reasons, and therefore has little of value to offer to the forces who pose a new socialist variant. We do not know.

This we do know—that this group of militant socialists, singled out for special harassment by the CP and by the NDP brass, entered into the youth radicalization with every ounce of energy at their disposal. There, they were differentiated from other developing currents, above all by their efforts to deepen the youth radicalization by linking it to the organized labor movement and the NDP even as now, confident that capitalism itself is generating forces that will reshape them to socialist purposes. We also know that no other tendency has had such an in-depth and extended experience with the labor party question from which the new Marxists can learn. (No matter—the latest Revolutionary Workers League abomination that the NDP is the principle obstacle to socialist revolution in English Canada.)

This is the chief merit of this history of *The Canadian Left* that Penner has presented to us. It is not an accumulation of old facts and figures. It is not an attempt to rehash old fights and make a decision on them. It is an attempt to look at the tumultuous history of the Canadian Left, to probe it, and to grapple with what there is in it to give us new and useful insights into the major themes that challenge today's generation of fighters for a socialist Canada.

Penner's book can play a useful role in the discussions and exchanges of experiences among the new Marxists that could result in a regroupment of forces and enable them to play the role that Marxism demands of them in the living movement of the working class.



In this photograph from the mid-twenties Maurice Spector, [right] editor of *The Worker* confers with [counter-clockwise] Jack MacDonald, Tim Buck and William Moriarty. MacDonald, general secretary of the Communist Party, was at the same time president of the federated Canadian Labour Party initiated by the Trades and Labour Congress. Sam Lawrence was its vice-president and Jimmy Simpson its secretary-treasurer.



# Oh Canada

By Paul Kane

Foreign direct investment in Canada, meaning actual ownership of resources and productive plant, increased by a record 3.7 billion dollars in 1975, according to government statistics now available. By the end of that year foreign imperialist interests held direct ownership of 39.8 billion dollars in assets. The bulk of this increase is firmly built right into the Canadian capitalist structure coming from profits accumulated by industries in Canada that are already owned by foreign interests.

US imperialist interests increased their share in that year by 11% so that they now add up to 32.1 billion dollars or 81% of the total amount of direct foreign investment.

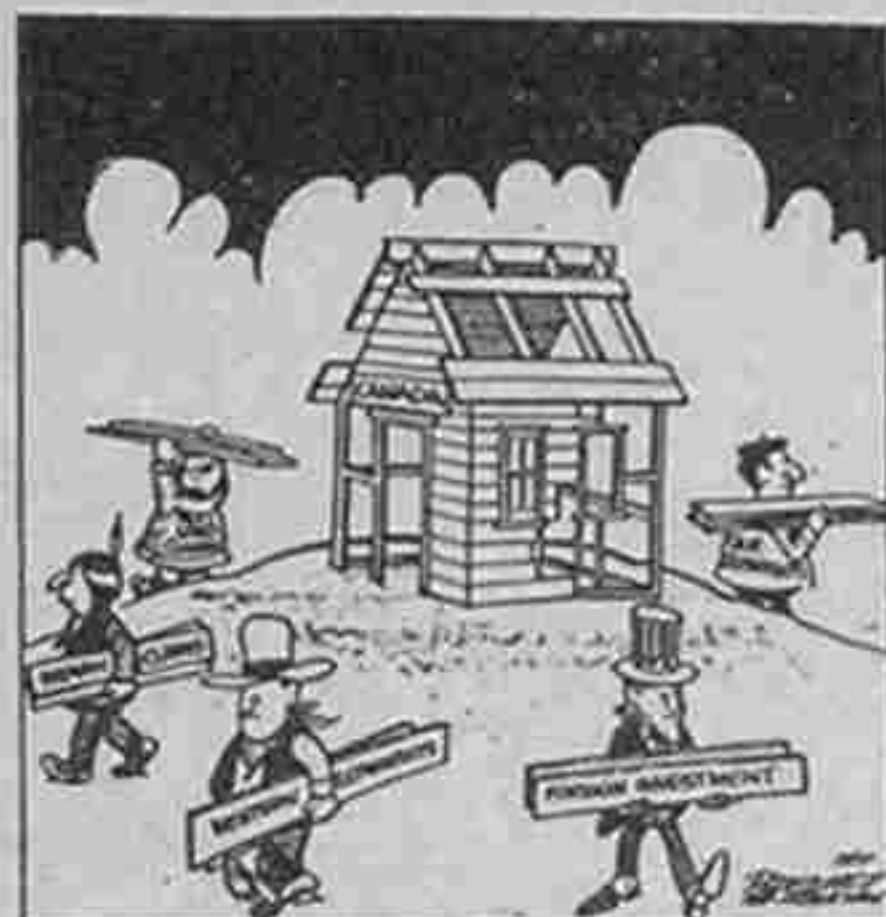
Foreign control of Canadian assets, through ownership of the most significant proportion of shares, rose to 56.8 billion dollars, with the share of US corporate interests rising even sharper—to 13% or 41.7 billion dollars.

For all the prophecies about increased inter-imperialist rivalries, with Japanese and West German imperialist interests jousting for position with the US colossus, the runner-up remains Great Britain. The increase of direct investment coming from Great Britain, more than half of it in manufacturing, was 3.7 billion dollars or 9% compared to the US 81% of foreign direct investment. The next largest direct investors were Swiss, French, followed by Netherlands imperialist interests.



Workers at the Otis Elevator Co. Ltd., Hamilton plant, according to Steelworkers local union President Bill Davis, are afraid that many will lose their jobs through cutbacks or perhaps all will, through a closure of the entire operation. The parent company in the US has been bought out by United Technologies Corporation of Hartford, Connecticut.

The union's appeal to the federal government to block the takeover has been taken up by Bob MacKenzie, NDP MP for Hamilton-East. The takeover bid is before the Foreign Investment Review Agency but MacKenzie expresses deep scepti-



cism about FIRA rejecting the proposal. "FIRA is becoming the Canadian joke," he said.

Devised to calm widespread concern over the loss of Canadian sovereignty in the face of increasing US domination, Trade Minister Horner has recently called for the toning down of its activities. Trudeau has even talked with one premier of suspending FIRA "activities" for three years in the face of the high unemployment.



Ottawa is once again taking some cautious moves to attempt to establish Canada's identity as a sovereign nation. The world's powers, while going through the motions of recognizing Canada as an independent nation (and even conceding that status to Quebec as did France recently) when it suits their purpose, conceive of Canada as a satellite of the US. But there are other matters that no longer enhance, but now even undermine Ottawa's credibility, even among Canadians, particularly in Quebec. One of these is the

fact of a Queen of England being the head of the Canadian state.

Canada entered the New Year with an announcement that Queen Elizabeth has agreed to give up her right to accredit and recall Canadian diplomats, authorize declarations of war on Canada's behalf, and sign peace treaties in Canada's name. It seems that she agreed to these changes when consulted during her visit to Ottawa last October.

Anyone who might be worried about the weakening of the British imperial connection and our being set adrift on our own, was reassured by Prime Minister Trudeau that the change is purely cosmetic—in reality only to avoid confusion as to the respective roles of the Queen and the Governor-General. Henceforth letters accrediting diplomats will be sent and signed by the Governor-General, although the Queen's name will still be on them. In his statement Trudeau affirmed that the Queen remains head of state and the BNA Act can still only be amended by the British parliament. Presumably Ottawa will send us into war when Washington instructs NORAD officials in their Colorado bunkers—with the approval of the governor-general, if there is time.



Wallace Clement's long anticipated rounding out of his momentous study *The Canadian Corporate Elite* has now appeared. Some 350 pages of research and analysis, it is titled *Continental Corporate Power: Economic Linkages between Canada and the United States*.

Mel Watkins, a professor of political economy at the University of Toronto, who evolved from a liberal nationalist to a leader of the NDP Waffle current, to identify himself as a Marxist, reviews it in the January 1978 issue of *Ontario Report*.

Watkins interpreted *The Canadian Corporate Elite* as presenting an indigenous Canadian capitalist class and the US capitalist class, along with its comprador-agents, as in "a full partnership." This was an interpretation not shared by the *Forward* review appearing in our November, 1975 issue.

With this volume, Watkins notes with approval Clement "finds that Canada's economy is 'largely controlled and shaped by US capitalists.' There is indeed an 'alliance between leading elements of Canadian and US capital that mutually reinforces the power and advantage of each' but it is an 'unequal alliance,' for 'US capitalists control the major areas associated with production, the corner-stone of an industrial society.'"

Among Clement's conclusions are: that "Canada is not an advanced independent capitalist society but neither can it be grouped with the various peripheral nations of the Third World," and "that, while Canadian capitalists are not 'merely comprador', neither would it be correct to view them as 'imperialists in their own right.'"

Watkins, who argues that what Naylor and Clement "have done for the business class needs to be matched by equally definitive studies on the rest of our political economy: the working class, the state, regionalism/federalism", sees in "the vitality of scholars like Clement some hope that effective political economy is helping to lay the basis, someday, for effective political action."

Appearing along with the new Clement study is a book edited by Leo Panitch: *The Canadian State: political economy and political power*. Both will be reviewed in subsequent issues of *Forward*. Both can be obtained through Forward Books, 53 Gerrard St. W., Toronto—*Continental Corporate Power*, \$6.95, *The Canadian State*, \$7.50, plus 25 cents postage.



# Rich get richer in 'Just Society'

By P. Kent

No one can help but be shocked by the colossal spread, the vast difference that exists in society today be-

tween the wages doled out to hundreds of thousands of working men and women and the colossal incomes accrued by a relatively small number of the rich and super-rich.

A recent report by the National Council of Welfare to the Trudeau government spelled it out in a simple but graphic way. The council, a government-appointed 21 person advisory body to the Minister of National Health and Welfare, noted that 20% of Canadians who receive the lowest income get less than 4% of the total national income. At the other end of the spectrum, 20% in the highest bracket get more than 44% of the national income, or ten times as much.

This polarization of wealth in Canadian society is not exactly unknown. It has long been apparent in highly visible terms—in housing conditions, in matters of diet, in realizing educational qualifications, and in the accumulation of what are called the amenities of life. The lessening of this terrible crushing inequality, particularly as it affects the future of the youth and the present of the older generation, has always been the declared aim of governments. We have had Charters, Visions, and in the last decade of Trudeau's Liberal party reign, promises of a Just Society and a New Society. But not even taking into account the adversity that his government, with the complete approval of the Tories, launched against us just two years ago, the wage freeze, the rollbacks and cutbacks in social services, out of which we are supposed to arrive at the New Society, the situation has remained the same, if it has not actually worsened. On top of that we now have a possible 1½ million unemployed drawing no income at all.

According to the National Council Welfare report, over the last 25 years during which the same data has been collected, there has not been any shift whatsoever, no closing of the gap at all between the rich and the poor. The council's report shows that it has even widened. In 1951 the poorest 20% received not the less-

than-4% that it receives today, but 4.4% of the total national income, whereas the wealthiest 20% received 42.8%. Thus over the past 25 years of what is often called sweeping social legislation, after 25 years of the so-called welfare state, the situation has only further deteriorated.

In fact, the council report shows that these so-called social welfare measures have been so constructed and applied as to actually firm up the situation. The taxation and social security system takes from the poor and gives to the rich—the inequalities created by the system "condemn 3 million of our citizens to lives of poverty in the midst of," what the report calls "Canada's widespread affluence."

The report shows how unemployment insurance, the Canadian Pension Plan, etc. work to the favor of the best off. For instance the breadwinner of a working class family earning \$6,000 pays \$90 into the Canada Pension Plan, gets no tax deduction because the low level of earnings exempts him/her from paying income tax, and is entitled to a pension of \$112.48 a month. However a person earning \$50,000 a year, contributing \$169.20 in the plan, because of a tax deduction, ends up paying only \$81.49, and is entitled to a pension of \$194.44 a month.

While the poor remained fixed in their position, some of their number are being thrust into utter degradation—the elderly, and worst of all elderly women trying to exist on pension.

"Poverty in the midst of plenty is a disgrace," charged the Reverend Eilert Frerichs before the Ontario Royal Commission on the Status of Pensions last month, "but poverty of those who created our wealth is nothing short of a betrayal," cried this treasurer of the Metro Toronto Social Planning Council.

From a survey of living costs in Metro Toronto made one year ago the council concluded that a single person needs from \$5,270 to \$5,901 a year, depending on whether an owner or renter of a domicile. The survey ascertained that "whereas 48% of those who are 65-69 live be-

low poverty levels, approximately 65% of those 70 or over live below poverty levels."

The Ontario Advisory Council on Senior Citizens, a 19 member provincial government-appointed group, representing 750,000 senior citizens, appealed to the same Royal Commission. They pled for better pensions to end their "pauper" existence.

From 1951 to 1976, the era of the welfare state in Canada, for all its accumulated reforms, which on a gradual and harmonious basis were to usher in the just and new society, we have, as the hard facts show, ever increasing inequality, including the actual pauperization of an increasing number of the population. We have reformism, but no reforming of our condition—only its worsening.

That's why socialists say reforms are no solution. What we need is a fundamental change in property relations. We need a socialist democracy where the wealth-producing productive plant in the country is owned by those whose labor produces the wealth, where production is planned, and not for profit but for human use.

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# Broad support rallies behind key legal suit against RCMP

By Ken Napier

Prominent members of the New Democratic Party, the trade union movement, the academic community and civil liberties organizations have declared their support for a slander action launched against the Royal Canadian Mounted Police arising out of that force's secret spying activities directed against the New Democratic Party.

A press release issued by the Socialist Rights Defence Fund, organized to promote political and financial support for the suit, contains a partial list of supporters including prominent civil rights lawyers Clayton C. Ruby and Charles Roach; Grace Hartman, president of the Canadian Union of Public Employees; John Harney, former leadership candidate for the federal NDP; Terry Meagher, vice-president of the Ontario Federation of Labour; Cy Gonick of *Canadian Dimension*; Professors Leo Panitch, Norman Penner, Ian Lumsden, Gregory Kealey and Michael Mason; Toronto lawyer Kenneth Danson; Joe Rosenblatt, recent winner of the Governor-General's annual prize for poetry; poet Al Purdy; author Eleanor Pelrine; Stephen Williams of *Toronto Life* and *Exile*; Satu Repo and George Martell, well known authors and educators; Reverend Duke T. Gray of the Unitarian Congregation

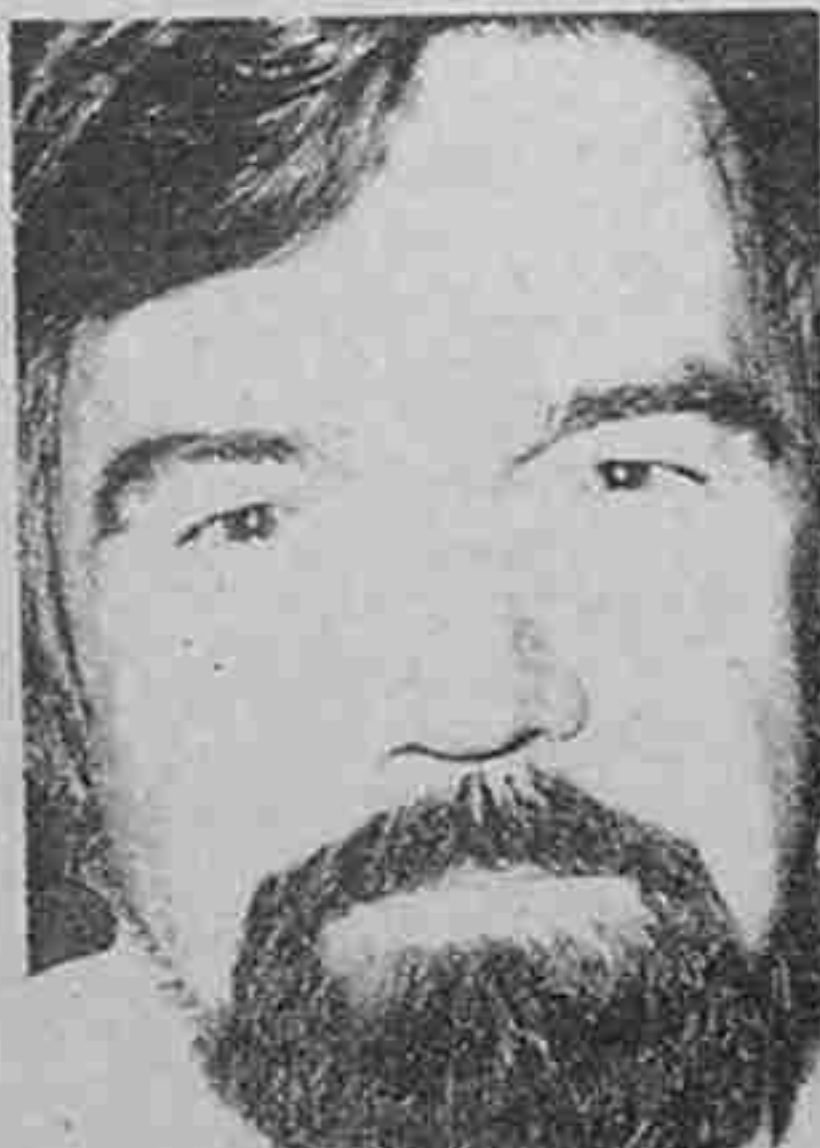


Eleanor Wright Pelrine

of Toronto, and many others.

The press release quoted an RCMP statement, released on December 9, which is the subject matter of the slander action. The RCMP statement accused the Waffle, a left-wing formation which emerged in the New Democratic Party in the early 1970's, of having invited "subversive" elements which "promote changes brought on by violent and undemocratic means" to join the New Democratic Party. The RCMP statements specifically singled out ex-communists and the League for

*Continued on page 2*



John Harney

## Support rallying to suit against RCMP

*Continued from page 1*

Socialist Action as being the "subversive" elements which concerned the RCMP.

The plaintiff in the suit is Ross Dowson, well-known socialist militant and activist, and the leading figure in the League for Socialist Action at the relevant time. The RCMP statement specifically accused the leadership of the League for Socialist Action of ordering its members to "infiltrate" the New Democratic Party during the period when the Waffle existed within the party.

The backers of the lawsuit indicated in their statement of support that "we believe that the charge of subversion has been used and is being used to justify intervention in the internal affairs and the harassment of such legal organizations as the New Democratic Party and the organized labour movement and we further believe that such activities threaten to whittle away at the democratic right to dissent in Canada."

While signers of the defence committee statement are not necessarily in agreement with the views of Ross Dowson, the statement expresses their understanding that "the purpose of this suit is to establish the legitimacy and legality of socialist thought in face of charges of 'subversion' by the RCMP."

The support statement, according to the press release, indicates further that "we believe that individuals have the right to express their views free of unwarranted and unsubstantiated allegations of subversion" and expresses their belief that "the real test of a democracy is its ability to tolerate and respect individuals whose views may not coincide with those of the majority at any given time."

The broad support which the suit has received to date indicates that it is widely understood that it was in fact the New Democratic Party that was the real target of the RCMP investigation of the Waffle. As Law-

rence Martin, a reporter for the *Globe & Mail* wrote on September 10, 1977, "RCMP sources have said that what began as just an investigation of the Waffle mushroomed to cover almost all the principle figures in the party. They said information on finances, friction and party strategy was sent into RCMP Ottawa headquarters and from there, they presumed, it went to the Solicitor-General's Department."

The broad support for this action from individuals concerned with the protection of civil liberties, as well as leaders in the NDP and trade unions, could exert an important restraining influence on the federal government and on the RCMP with reference to activities directed against individuals and organizations representing dissenting minority views but operating in full accordance with the laws of the country.

In addition, the suit confronts directly the charge of subversion which has traditionally been used by the RCMP to isolate and illegalize Marxist and socialist groups.

Despite the long list of illegal and undemocratic activities revealed so far in the continuing saga of RCMP acts, this civil suit is the only ongoing political response from the entire left to these revelations. Because of the highly political nature of the suit, it is likely that the trial will receive broad public attention and clearly expose the subversive activities of the Royal Canadian Mounted Police itself. Dowson's counsel, Harry Kopyto, in a telephone interview, expressed the opinion that the pretrial process known as examinations for discovery, could remove the mask of secrecy around RCMP surveillance of the New Democratic Party during the Waffle period.

Contributions are urgently needed to help defray the legal costs of the suit. Contributions and requests for further information should be directed to the Socialist Rights Defence Fund, 50 Thorncliffe Ave., Toronto M4K 1V5.



Clement adds new dimension to study of power

# The Corporate Elite & US connection

by Ross Dowson

From the book **The Canadian Corporate Elite — an Analysis of Economic Power**, by Wallace Clement, that appeared three years ago, one could only conclude on the basis of his rigorous and documented research that Canada is an economic dictatorship, ruled by a small closed circle of financial and industrial capitalists.

"Top decision making positions in the economy and mass media in Canada," he wrote, "are dominated by a small upper class. Through dominant corporations they maintain a hierarchically ordered system by which they are able to extract surplus allowing them to continue and expand their control. This same surplus provides them with a life style much different than that experienced by the vast majority of Canadians and the privileges that accrue to them are passed on to their children."

He ended the prophetic sentence, "As long as corporate power is allowed to remain in its present concentrated state, there is no hope for equality of opportunity or equality of condition in Canada."

Since then the capitalist class, which Clement defines as not only the economic elite but includes all those "who own, control and/or manage (at a senior level) all corporations employing the labor of others, including their families" has got richer and indulges itself in ever more extravagant displays of its accumulated wealth.

Meanwhile inflation, aggravated by government imposed cutbacks in hard-won social legislation, and a freeze of wages, continues to gnaw away at and drive down the living conditions of the working class. And worse, over one and a quarter million have now been thrust out of the work force, in large part due to shut-downs of US branch plant operations such as INCO and Falconbridge, and deprived of even a source of income. Impoverishment and degradation widen as incredibly more and more plants that could produce needed goods are closed down.

That Clement's study, **The Canadian Corporate Elite** is firmly based on the economic reality of Canada, that it is grounded on a vast accumulation of empirical data, and what generalities it does draw flow simply and lucidly out of the logic and internal contradictions of this data, renders its conclusions largely unassailable by those economists and journalists who have prostituted their

skills to become apologists for the capitalist-inspired illusions of an open, expanding and increasingly equitable society.

That its conclusions are completely Marxist, that they affirm, not on the basis of a highly structured worked-out scheme, some select inviolable texts by Marx, Engels, Lenin or Trotsky, but on the basis of a study of contemporary Canadian empirical data, constitutes an all-the-more powerful affirmation of Marxism.

Nonetheless this book, which stands as the centerpiece in the accumulating studies of the Canadian political economy, roused uneasiness among some of the old and some of the growing number of new Marxists.

According to Robert Simms and Chris Schrenk, now associated with **Socialist Voice**, "Clement draws a conclusion that is at odds with those nationalists of the left who think that the corporate bosses in Canada are subservient and submissive to encroaching US capital." The evidence they think to be at odds with an opinion that they attribute to so-called left nationalists is flimsy to say the least! — a quotation: "the Canadian economy remains controlled in large part by a set of families who have been in the past and still remain at the core of the Canadian economy." Even more strange, they also allege that "Clement doesn't make plain in his book" that "there is a basic antagonism in Canadian society today between the capitalist ruling class in the Marxist sense and the working class."

Former Waffle leader Melville Watkins who thinks that Clement's new book has rectified the situation recalls in a recent issue of **Ontario Report** that he had interpreted the **Canadian Corporate Elite** as presenting an indigenous Canadian capitalist class and the US capitalist class, along with its comprador agents, as in "a full partnership."

In an evaluation appearing in the November 1975 issue of **Forward** we pointed to what we considered a weakness in the book. We said that it left "unsettled" a key question — the "question of US ownership and control of important sectors of the Canadian economy and its ramifications." In view of the great value of the book and Clement's assurance that he had two more studies in the works — one on the state system and another on the continental economy

of North America, we expressed impatience for "the second course of the feast."

It has now been served — in "**Continental Corporate Power — economic linkages between Canada and the United States**. And it is well worth all of our anticipations.

In **Continental Corporate Power** Clement comes to grips with the question of US ownership and control. With this new volume he gives the valuable material in his first one a context. He thereby raises his work as a whole to a higher plane. Together his two volumes now stand in an international, and above all, in a continental context which allows him to bring into play all the research of his peers, in particular the two volume **History of Canadian Business** by Tom Naylor (1975) along with **Partner to Behemoth — the military policy of a satellite Canada** — by John Warnock (1970) and the essays contained in **Canada Limited**, the



Wallace Clement

policy of dependency (1973), **Close the 49th Parallel** (1970), etc. etc.

As long as the debate on Canada-US relations lacked such a setting and did not develop from an historical analysis of the evolution of the political economy of Canada it remained fragmented and lacked coherency. By making this book a study of Canada's place within a system of continental capitalism, by analyzing the developments of the US economy and its power structure, especially as they have affected Canada's economy and social structure, Clement lays the basis for arriving at a correct understanding of the Canadian economic and power

structure and provides some of the key materials to resolve the many political questions that have been the subject of contention within the Canadian Left.

Even given the overall value of the book, there are several sections that are really outstanding. In Part II of Chapter I Clement outlines the power of the corporation in contemporary capitalist society — the power base of the corporate elite and the capitalist class as a whole. Anyone who thinks that changes of any significance can be brought about without coming to grips with this all-pervasive and all-powerful institution, without upending the whole system that is based on the private ownership of the key means of production, and the establishment of a planned economy based on production for use under workers' control, could profitably ponder over these

four pages.

Chapter III — Setting the Stage for a Continental Economy — is a major historical essay on the evolution of Canadian capitalism and a classic study in the application of the laws of uneven and combined development. In the latter chapters of the book Clement makes a detailed, innovative and rigorous analysis of continental corporate structures, of corporate concentration in the US and Canada, the dominant US corporations and their relations with Canadian corporations, and the interlocking of their directorships — their continental connections.

Rather than attempt to condense or paraphrase what we consider the most important sections of the book we are taking the liberty of excerpting some of Clement's key conclusions in the hope that they will stimulate a wide circulation of the book itself.

## Canada as a US dependency

"Canada is an independent nation-state enveloped by spill-over from the most powerful capitalist society in the world, which includes some of the costs and benefits of that society's wealth. While Canada's economy is largely controlled and shaped by US capitalists, these capitalists do not operate in a complete power vacuum in Canada. What has been forged over the past century is an alliance between the leading elements of Canadian and US capital that reinforces mutually the power

→ to p. 2



04-01-36

and advantage of each ... This is an unequal alliance ... Canada's economy has been shaped to conform to the dominance of the United States."

"Canada cannot be characterized as an advanced independent capitalist society nor can it be grouped with the various peripheral nations often called 'The Third World' although it shares some traits of each type."

"Canada is a secondary power in the world economic order and has a distorted economic system because of its colonial origins and because its industrialization proceeded in the shadow of an industrial giant — shirt-tail development."

"Canada is a developed economy but underdeveloped industrially. Canada is, compared to underdeveloped societies, 'an affluent annex' in the sense of being a subsidiary or supplementary structure of the United States."

"When Canada is referred to as an

industrialized society, what is really meant is that part of it is industrialized — the rest is more aptly characterized as a resources hinterland."

"Since Canada's economy is at once developed and underdeveloped its economic elite is both powerful and dependent. To reduce the question to whether Canada is 'exploited or exploiter' dismisses the fact that its elite exhibits both qualities."

"The upshot is that the power of Canadians to make decisions about specific economic activities in Canada has regressed to a state of underdevelopment (although not total underdevelopment of 'material well-being') with control over future

between type; that is, much of this investment flows from firms in Canada which in turn are subsidiaries of other companies controlled outside Canada."

"Outside of bank and insurance and a few specific areas Canadian indigenous capitalism is not strong internationally although it does have an international presence. But within banking it is important."

"Overall, however, it would not be correct to view Canadian capitalists as imperialists in their own right. To the extent that they have participated in foreign investment, it has been largely in the remnants of the old British Empire and in the backwash of the United States. In some areas, particularly banking and life insurance, they have become important international actors, but not on the scale, or with political-military support from the Canadian state that could be considered independently imperialist. Were the United States umbrella to collapse, as the British Empire did earlier, they would be caught in the downpour."

#### Canada-US integration

"Canada is integrated with the United States not just on the economic level as recipient of a large volume of United States investment. The relationship also involved a good many Canadian capitalists whether elite members or managers who have benefitted by this arrangement. They project an ideology of internationalism and related to it an ideology of corporate capitalism."

"...multinationals corporations do not internationalize their own managements but they do denationalize a part of the national elite."

"An outstanding feature of these continental ties is the effect of economic sectors. They suggest that the financial-industrial axis is continental for Canada but national within the United States. The ties also reflect a pattern in which a segment of Canada's elite has been drawn into the inner circle of the US elite. While a segment of Canada's elite has gained continental power, Canadian society has been drawn into a relationship of dependence on the United States."

#### The State

"The state did not simply sit by while these developments transpired. It intervened on behalf of the industry ... Who controlled the pulp and paper industry? A good deal was

US controlled with some Canadian participation ... Only in production of hydro-electric power did the state resist US ownership. The resource industries, particularly pulp and paper, mining and aluminum, were the more active protagonists of cheap efficient power. Beginning with Ontario and over the years in most other areas the provinces took the lead in providing hydro-electric power. Why did the state take this action? The most thorough analysis of this question has been provided by H. Nelles, and his answer is clear: Power is far too precious as an agent of industrial expansion to be left under the control of monopoly capital, Canadian or American. As it had been with canals, and railways, the state would be the initiator of the necessary infrastructure of economic activity; it would provide the necessary conditions for private capital accumulation."

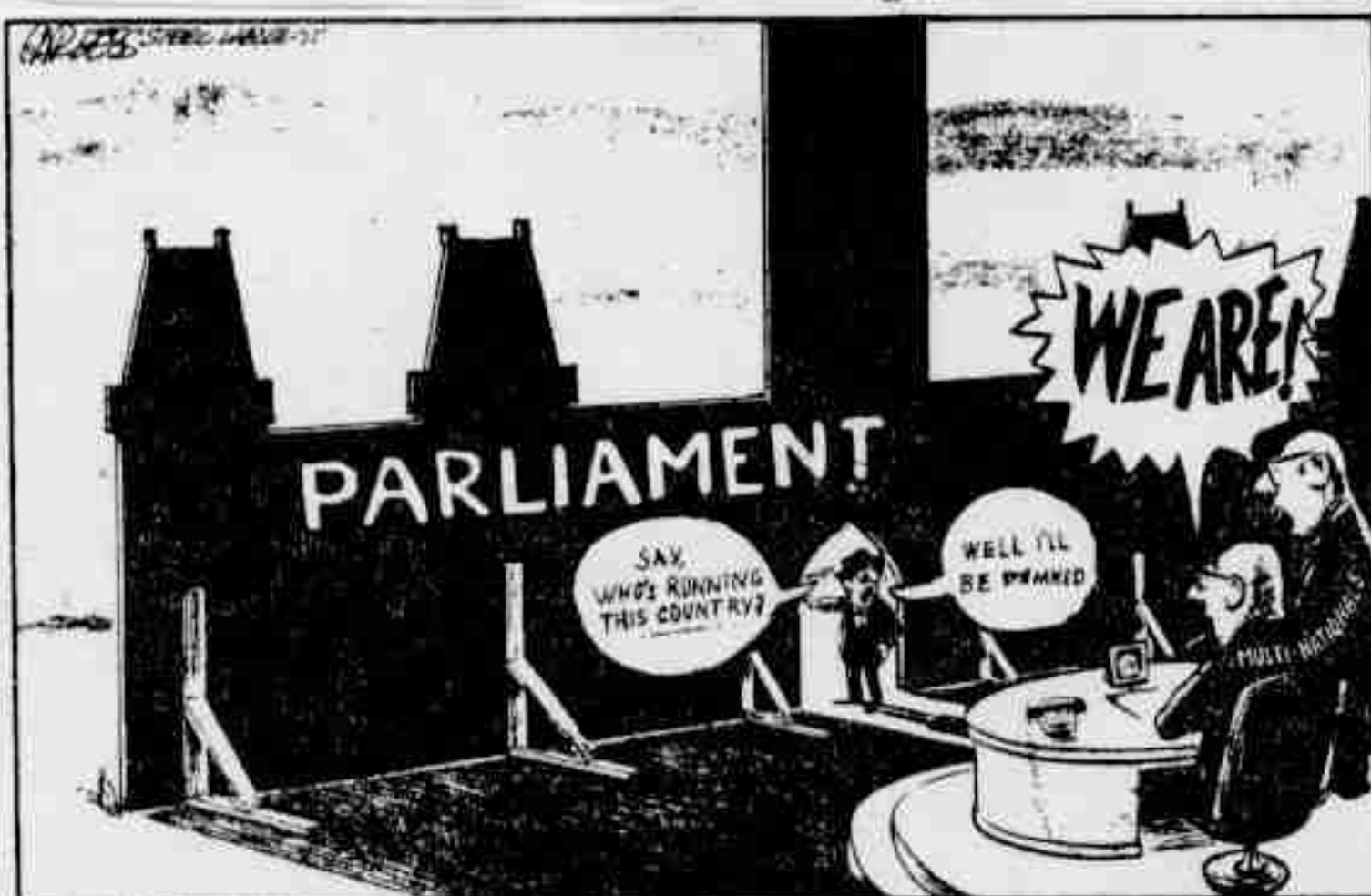
"Furthermore the conscious effort by US capitalists and their government was met by a like-minded Canadian state.... C.D. Howe, the great 'salesman' said in a speech in Boston in 1954, 'Canada has welcomed the participation of American and other foreign capital in its industrial expansion. In Canada, foreign investors are treated the same as domestic investors.' Prime Minister Louis St-Laurent also supported Howe's position, arguing that foreign capital somehow became 'nationalized' once it had entered Canada."

"The political boundary between Canada and the United States has not, however, been an impediment to the penetration of the sphere of production in Canada by US foreign investment (although circulation, the protested.) The fact of such extensive US investment reflects political decisions to allow and encourage such a pattern of development. The system has emerged not in spite of politicians but because they have permitted it. Conversely, since they have allowed these events to occur, the national independence has been decreased and much of the control over Canada's economy has been allowed to shift outside the country to the board rooms of US corporations."

#### National sovereignty

"Certainly in the public domain the de facto rights of sovereignty are intact. But in liberal democracies, there is a very large area of private control beyond the public domain and it is in this area that sovereignty has been eroded. It is only because of the public/private split of liberal democracies that foreign dominance can prevail in one domain but only to a lesser extent in the other. How far can foreign dominance be allowed to go? Is the public domain not influenced by what happens in the private sphere? Most certainly it is, and when levels of foreign ownership become high the result is erosion of the autonomy of the state itself."

"The basic concern over foreign investment is that power is exercised in the board rooms of the multi-



development and stability lost because of the lack of an indigenously controlled base in manufacturing and resources ... The resulting fragmentation of the capitalist class does not mean that the whole class is not still powerful vis-a-vis the working class — indeed it may well have gained power because of its alliance with US capitalists in the continental context."

"...Canada's reliance on the United States has steadily increased and its other outside relations have declined dramatically ... Canada cannot easily withdraw from the continental economy and shift its trade elsewhere because now, unlike earlier periods, much of its 'trade' consists of intracompany transfers to United States parents. Canada is, therefore, locked into the continental economy, even if other nations challenge the world hegemony of the United States."

#### Canada as imperialist

"...a great deal of 'Canadian' foreign investment in the Third World and elsewhere is of this go-

→ to p. 3



## US ownership & control a dead end — Blakeney

Saskatchewan NDP Premier Allan Blakeney posed to the Canada West Alternatives Conference on Confederation in Banff, as a major issue before the country, foreign U.S. ownership and control of the economy.

He scored unnamed political leaders, who everyone knows include Liberal federal Finance Minister Chretien and Tory Ontario Treasurer McKeough, for beating the drum for increased U.S. investments.

"How naive and short-sighted we have become," he said. "How often must the cost of foreign ownership and control be totalled up before we finally conclude that such a road is a dead-end—not only economically but politically and culturally as well."

Blakeney projected no program that would place the working people of Canada in control of their economic destiny. And blocking Quebec sovereignty-association motivated his taking up the question. But then it was the outrageous blackmailing by the U.S. potash moguls that forced his government to overcome its reluctance to place the key sectors of the Saskatchewan potash industry under public ownership. Can we anticipate that mounting unemployment, in part due to closure of U.S. branch plant operations, could push Blakeney and the pusillanimous NDP leadership to campaign for the public ownership of major closed-down plants and their retooling for production of goods that Canadians can use or could market in other parts of the world? They could be bought out, if thought necessary, following deduction of all the grants handed out to them and, when possible, through long term debentures.

nationals, out of reach of Canadians. Decisions on trade, employment, research and development, promotion of management, and investment are all beyond the control of Canadians. But is this really a consequence of foreign investment or of private investment? How much more control do the vast majority of Canadians have over the Royal Bank, Sun Life, Stelco, Eatons, or MacMillan Bloedel than they have over General Motors of Canada, Imperial Oil, Kresge's, Crown Zellerbach, or Canadian General Electric? Is it justifiable to call for decreasing foreign investment in the name of the Canadian people? To some extent, yes, the claim is justifiable because Canadian-based companies are potentially more susceptible to state regulation."

Consistent readers of **Forward** will be aware that the above quoted conclusions drawn by Clement are substantially the same as the views that have been advanced in the pages of **Forward** since its launching some four years ago. That holds true with Clement's last sentence too — "As long as the dominant mode of ownership continues to be private, the power of the economic elite will continue to dominate at the expense of the citizenry." The widening call for the public ownership of such operations as INCO in Sudbury is proof of an increasing awareness of that fact.

## Fishermen challenging Ottawa's selling-out of Canadian sovereignty

Both the establishment of national sovereignty over the new 200 mile limit defining Canadian territorial waters and the role of foreign investment inside these waters are rousing the grave concern of fishermen on both the West and East coasts.

George Hewison, secretary-treasurer of the United Fishermen and Allied Workers Union, has accused Ottawa of selling out the industry in BC to US business interests. Federal negotiators are "bending over backwards to accommodate the Americans," he charges, in the high level talks which will determine new territorial waters for US and Canadian fishermen. When Washington declared the boundaries of US territorial waters last year, the new boundary for the US fishing zone ran through the middle of the Dixon Entrance at the top of the Queen Charlotte Islands, although the BC government had requested that the boundary follow, as on the East Coast, the continental shelf, and extend into the Gulf of Alaska.

The 200 mile limit on the East Coast, ostensibly designed to halt the destruction of the Grand Banks

through overfishing, and the faltering processing industry, some of it co-op owned, may only end up serving the interests of such West German fishing companies as Nordsee, a subsidiary of the giant multinational Unilever Corporation.

Nordsee has put in a bid to buy up a part-time fish plant at Harbour Grace which another Unilever subsidiary closed down in the 1960s with a loss of 800 jobs. It plans to operate with five deep sea trawlers which would knock out the small inshore boat operators now supplying the plant.



Paul Chaisson, pres of Local 10 MFU

Richard Cashin, head of the Newfoundland Food and Allied Workers Union, charges that the deal would violate the very concept of the 200 mile limit and has attacked the Newfoundland government for its "colonial mentality." He warns that Newfoundlanders are destined to become nothing more than "white coolies" if the deal goes through.

NDP leader Ed Broadbent has joined the protest. While no one knows who will get the jobs on the five trawlers, he said, "I do know that if these trawlers are allowed to fish offshore cod stocks, the inshore fishing will be crippled."

Federal Fisheries Minister LeBlanc, expressing opposition to any "back door" takeover, suggested that there may be legislation to make large fishing companies divest themselves of fishing boats in the hope of increasing price competition to the advantage of the fishermen. But the obvious answer is to place this national resource industry under public ownership and planned development so that Maritime fishermen, who have been under the squeeze of the packers and processors for generations, could have a decent life.

## Where to go for Cdn info

A heavy cloak of secrecy surrounds the giant corporations that make all the key decisions in capitalist society. Canadians know less than Americans, even when it comes to those corporations that fly the Canadian flag. And as far as the Trudeau government is concerned even the few bits of information that US government regulations demand as a matter of course are positively dangerous to our peace of mind.

US regulations require that officers and directors of public companies earning more than \$40,000 a year, whose shares are traded in the US, have to disclose their salaries. Of course the law is applied flexibly — so flexibly that when a request for disclosure under the US Freedom of Information Act was filed the chief Canadian Pacific Railways executive officer, Ian Sinclair, the same who is bandstanding the withdrawal of Sun

Life from Quebec, bet a Canadian newspaperman a \$200 dinner that his salary would never be disclosed.

The CP got special dispensation according to a SEC release, when among its arguments was one of principle — that revelation of the salaries of its executives would play into the hands of those Canadians who favor public ownership against private ownership. But US SEC officials saw things differently when the publicly-owned CNR came to sell 100 million dollars worth of debentures on the US market. Canada's Transport Minister Otto Lang felt compelled to intervene with a special plea for exemption. Among his arguments was that: "Obviously disclosure in the US would destroy confidentiality in Canada."

On this occasion SEC officials did not grant exemption and now, thanks to US law and the vagaries of its enforcers, we Canadians know that the wages we paid to the CNR president in 1975 were \$80,000, to the chairman \$65,000 and to the three vice-presidents \$73,000 each. You can only imagine what we don't know about this giant conspiracy against the public



# Ont. solidarity action clashes with police

by P. Kent

Solidarity actions such as have not been seen for several years are being demonstrated by Kitchener and Talbotville area workers behind the picket lines of 130, mostly women workers, who have struck an auto parts plant near London, Ontario.

The plant, half-owned by the family of James Fleck, the Ontario deputy minister of industry and tourism, was visited by a squad of policemen as the strike deadline approached under the guise of acquainting the workers with respect to conduct of pickets. This blatant attempt to intimidate the members of the newly-organized autoworkers local roused widespread indignation through the ranks of labor.

Since then massive picket lines have closed the plant down on several occasions, as up to 60 policemen have reinforced a 12 policewoman squad on the site. Several workers have been arrested, hours after picket line scuffles. Police armed with search warrants seized photos taken by London Free Press reporters. Global Television at Don Mills has refused to turn film taken at the picket line over to the provincial police. An official declared that "the public must perceive us as journalists and not as agents of police or governments." Earlier, armed with warrants, the police seized 12 minutes of film from CFTO-TV.

The actions of the Exeter detachment of the Ontario Provincial Police at the Fleck plant came at a time when the Canadian Chemical Workers Union was protesting that there have been several incidents recently when union representatives, against whom charges have been laid during a strike, were barred from the strike area as a condition of bail.

Robert Stewart, a CCWU director, protested that "I have never heard of this happening before in 25 years of full-time union work. It amounts to imposing a penalty before the person is found guilty." The head of the Exeter police detachment who approved of his mens' visit to the Fleck plant, disagreed. It "has its effects .... This does the job," he said. The UAW has applied to the Ontario Labor Relations Board to prosecute the heads of Fleck Manufacturing for violating the Labor Relations Act. Among its charges are that the company failed to comply with a certification order.



Jubilant solidarity picket at Exeter

04-01-78



Editor: Wayne Roberts

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04-0175

## Trudeau's hand called, trying another trick

By the editors

Sniffing the need to establish a reborn personality with a federal election on the door step, the new Pierre Elliott Trudeau made his appearance (with a stylized Maple Leaf as a backdrop) before an appreciative audience of Liberal Party spoilers and patrons at the party's convention at the Chateau Laurier in February.

With feet apart, jacket open and thumbs tucked into his belt, Trudeau scoffed at accusations that his party had grown conservative and right-wing after holding power for 46 of the last 57 years, the last ten under his own leadership. "A good formula," Trudeau suggested, "would be to say we are the party of the extreme centre. And if that doesn't convince them, you can say we're the party of the radical middle."

There's another way of putting that formula, and it's been the Liberal's key to success. You can fool some of the people all of the time, and all of the people some of the time. One day, however, the Liberals will have to reckon with the fact that you can't fool all the working people all the time.

The Liberal posture as the party of compromise and conciliation, when the reality is that they are the political instrument *par excel-*  
*Continued on page 2*

## Trudeau's new trick

*Continued from page 1*

lence of the capitalist ruling class, has long been their own recommendation to the Canadian public. Their success in the last election, to a considerable extent at the expense of the NDP, was in large measure due to working class illusions that the Liberals might serve as the lesser evil alternative to the extreme Tory policy of wage and price controls. We all know what's happened since. It was just the old gambling house trick, the two-party shell game.

The Liberals evidently have the gall to enter this election as the party of compromise, the only party that can provide a winning team and govern the country in these troublesome times. But judging from journalistic reaction, the appeal is not taking hold; even the kept press is proving less gullible than in the dazzling days of Trudeau-mania.

The perception of a Liberal swing to the right is widespread among journalists and other molders of public thought. The February Liberal convention, writes Geoffrey Stevens in the *Globe & Mail*, showed the party to be full of "closet Tories" engaged in "a fight to preserve the status quo". He points to the overwhelming rejection of tax cuts on home building materials, and opposition to proposals to increase pensions and to make interest payments on home mortgages tax-deductible as some indications of this conservatism. Don Sellar, writing for Southam News Services on the Federal Law Reform commission, points out how "the government's increasing conservatism" has scuttled any possibilities of significant law reform, and refers to the cabinet's attitude to Criminal Code reforms as not "simply timid — it's antediluvian. Justice Minister Basford's major legislative accomplishment has been the harsh, punishment-oriented 'peace and security' package, including indefinite prison terms to which the Commission has been unalterably opposed." George Bain of the *Toronto Star*, commenting on Trudeau's commitment to "the extreme centre," says that "What anything does on a centre ... is repose ...." He believes Trudeau is after the vote of those "who don't know why they're going to vote the way they are." Even Social Credit Party spokesman Bruce Arnold, usually busy attacking the Liberals for experimenting with socialism, notes that the Liberal Party "is moving back to the right now" and "the time has come for us to say, 'we told you so'."

Speaking to the giants of U.S. industry and commerce at the Economic Club of New York on March 22, Trudeau reaffirmed the conservative direction of his government. He announced that "we have become victims of our own success" and "restraint on the part of government is the watchword." While the *Globe* described the surprise of the U.S. investors at the conservatism of the man, the *Star* expressed shock at the lack of "any breath of economic fresh air, a willingness to experiment and try new ideas on managing the economy" in his speech.

Memories of the 1968 election campaign, of the new man with new ideas come to unite Canadians and lead them into a wondrous second century of nationhood, will be hard to re-stir; even Trudeau's continuing posture as the savior of Confederation and his personalized battle with Lévesque designed to establish him as the only alternative to separatism is wearing thin.

The ruse is now becoming patently ridiculous. The party of restraint and financial responsibility is increasingly perceived as the party of social service cutbacks; the party which promises to save Canada is increasingly exposed as the party which allows American capital to drain the natural and human resources of our country; and under which the Americanization of Canada's economy has continued at breakneck speed; the party which pictures itself as a broker between labor and capital is increasingly understood as the party of the ruling class and its agent in carrying out a systematic assault against workers with a wage controls policy.

Thus, with its traditional image of broker between competing interests becoming more difficult to maintain and with its provincial party machines weak and generally out of power, the ideological and strategic concepts which the Liberals have used for almost half a century to befuddle and confuse working people are becoming more untenable.

The CCF and later the NDP were built on the basis of painful and humiliating experiences with Trudeau's predecessors, most notably William Lyon Mackenzie King, Rockefeller's paid "labor arbitrator" and strike breaker of "King or Chaos" and "conscription if necessary but not necessarily conscription" fame. The limited success of independent labor politics reveals the working class' growing realization that those posing as compromisers and conciliators are really their enemy.

Despite the inadequacies of the Broadbent leadership, the NDP is the only reflection of the working class' striving for political independence. Will Trudeau be able to impose, or will Broadbent adapt to, a limited role for the NDP on the sidelines of the election debate? We will do our share to see this doesn't happen.

The image creators are busy preparing the new Trudeau in time for the federal elections. But the natives, victims of Trudeau's wage freeze and unemployment policy, are getting restless. Trudeau should therefore not be surprised if he should emerge as the "extreme centre" of the target at which the outrage of growing numbers of unemployed Canadians will be aimed.

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**we need \$5000 by June 30**

# Come to the aid of Forward!

## By the editors

This spring's thaw is revealing a Canada of a million-plus unemployment, jagged recession, and biting inflation.

The spring of despair is the cue for the thriving scavengers who bootleg irrational faith and obscure cults for people bemused by the cruel blows of reality. Working people annually throw away millions of dollars to support this quackery.

Scientific socialism, on the other hand, disdains sleight-of-mind embellishments and seeks the answers to the burning issues and crises of our times in the processes of the unfolding class struggle. Out of the mire of senseless waste of human life and labor, socialism seeks to disclose and give direction to the historic path of the working class and oppressed social layers on the way to humanity's salubrious spring in a society planned and run in their interests.

In this tradition, **Forward** has been publishing a uniquely socialist view for the last four years. On a shoe-string budget, supported by the volunteer efforts of those who prefer to deal with cold reality rather than submit to warm delusions, last year, we were able to make some notable achievements such as: the publication of a three-part series on the crisis of confederation, which was

adapted into a pamphlet for socialists; a number of articles on the development of left formations which emerged from the Canadian nationalist movement; independent and highly researched articles on Canadian nationalist issues like the gas pipeline debate; fighting coverage of the U.S. monopolies' ruthless cut-backs in places like INCO; serious, in-depth coverage of and support for NDP governments across Canada in the working class' pursuit of independent political action; and sophisticated analyses of international events in South Africa and the Middle East and about the phenomenon of Eurocommunism.

**Forward** has been distributed en masse to large rallies and important meetings to disseminate the socialist voice as far as possible. Through the solidarity of our readership, we raised the necessary \$5,000 in last year's fund drive.

This spring, we turn once again to all those who are striving towards socialism to raise another \$5,000 for the 1978-79 publishing year. While inflation plays havoc with our modest budget, we realistically project the minimum necessary. We are painfully aware that the reactionary cult-peddlers prevail when it comes to financial support. Our appeal is to the most clear-minded and rational to give as unstintingly as possible for

humanity's genuine destiny in the socialist future.

Please send cheques (even a series of post-dated cheques would do) or money orders payable to Forward Fund Drive, Box 778, Adelaide St. P.O., Toronto, Ont. M5C 2K1.

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04-0137

# Oh Canada

By Paul Kane

In our last column we reported that foreign investment in actual ownership of Canadian resources and productive plant, i.e., direct investment, increased by a record 3.7 billion in 1975 — up 10% and totaling 39.8 billion dollars.

Ottawa has since released figures on foreign investment in Canadian securities and government bonds. Foreign long-term investment increased by a record 14% to total 68.65 billion dollars. US corporations and individuals hold about 77%, compared to the 8% held by British interests.

According to Statistics Canada only 1,626 companies of the total 29,812 companies engaged in manufacturing, mining and forestry are foreign controlled. However, the top one hundred account for almost one half (46%) of all business activity, and 66 of them are foreign controlled. Together with the next 100 firms, 74 of which are foreign controlled, the top two hundred account for 57% of all business activity. Of the next 300 — 207 are foreign controlled. It is not until the next 500 are taken into account that foreign control drops to less than a half of the firms. The big, the dominant and the strategic capital in Canadian manufacturing is foreign capital — indigenous Canadian capital is concentrated in the smaller manufacturing units.

It is the increasingly pervasive character of the US corporate takeover of the Canadian economy that is impelling the Committee for an Independent Canada to attempt a revival, according to its new executive director, James Conrad. The committee was launched in the tumultuous late sixties which were highlighted by the outburst against Nixon's Amchitka nuclear tests that fused the anti-Vietnam war movement, the rising anti-pollution environmental forces, and the mounting opposition to US domination of Canadian society into the most massive cross-Canada protest actions in history.

The failure of the leaderships of the NDP and the organized labor movement to respond to this anti-US imperialist sentiment left the field to bourgeois nationalists who directed it into the swamp of Liberal and Tory party pressure politics. Launched by former Liberal government cabinet minister Walter Gordon, the Committee attracted such luminaries as Tory spokeswoman Flora MacDonald and Claude Ryan, now aspiring to be Quebec Liberal party leader, but it has been steadily declining. Conrad, who was associated with the Canadian Federation of Business, suggests that the Committee will be undergoing some changes. While the direction is as yet unclear it would appear to be further to the right.

In an interview with the *Toronto Star*, on whose board Walter Gordon sits, Conrad said that there would be a name change. He suggested that the term committee has an elitist connotation and in actuality the organization of 3,500 members is a

"movement of middle class Canada." He also said that the word independent "has to go." He suggested that this word, what with the dead-serious Quebec independentist struggle, also has an unfavorable connotation.

As a major difference with the Gordon leadership he said that "we are mostly post-Keynesian ... we have a lot less faith in the ability of government to solve our problem." Nonetheless he said that the decision to regain control of the economy is a political one and expressed confidence that with pressure from a grass-roots movement the government would respond. He failed to outline any program to meet among other things the present high rate of unemployment which he said is due to high foreign ownership. Referring to a study made by a consultant, he said that "there has been a massive repatriation of jobs to the US. Our analysis shows about 200,000 jobs."

Layoffs, branch plant scale-backs and shutdowns such as at International Nickel and Falconbridge in Sudbury placed the Ontario NDP back on the rails of public ownership of Canadian resources industries, largely under US capitalist ownership. Failure to make this a fighting demand could give a new edition of the "Committee" for an "Independent" Canada a new lease on life.

While Ottawa exerts great energy to convince the working people of Canada that we are all in this austerity bout together, that is not what the president of Wood Gundy Ltd. told several hundred US businessmen attending a conference on Canada in San Francisco.

Asked what effect the controls have had on business, Mr. Maitland assured them that they have only postponed dividend increases in many cases to 1979 and have actually improved corporate balance sheets. He also said that the Lévesque government would have no trouble getting financing for its takeover of the US-owned asbestos industry — which he saw as the only chance across the country for the nationalization of foreign-owned companies.

Contrary to the hue and cry that has been raised across Canada against the PQ, Canadian Ambassador Peter Towe portrayed the Quebec government as actually encouraging private enterprise and expressed confidence that that attitude would not change, regardless of the path of political discussion in Quebec.

Should Secretary of State John Roberts ever feel that the pressure is such that he is compelled to really do something about US corporate domination of the text book industry in this country he can always as a last resort seek safety with the plea of conflict of interest. It seems that, several years ago, he co-authored with a Howard Aster who now works as his aide a basic book on Canadian politics. But, says Aster: "No Canadian book publishing house was interested."





# Opportunities for NDP in Alta endangered by leaders' failures

By P. Kent

The Alberta NDP is certainly one of the more dynamic of the NDP provincial sections. The agrarian protest movement of the thirties that resulted in the formation of the Saskatchewan CCF-NDP, now the only NDP government in the country, was diverted in Alberta by Aberhart into the now defunct "funny money" Social Credit movement. But the CCF-NDP has held on, and from reports to the recent provincial council meeting, is headed in the coming provincial elections to becoming the official opposition in the legislature.

According to NDP director of organization Tom Brook, the final count to be done sometime in April "should put us over the 7,000 mem-

couraging developments there have been two highly discordant notes. **The Alberta Democrat**, the official monthly organ of the Alberta NDP, which comes automatically with a membership in the party, has not been appearing. The other has been the upholding by the provincial council of last fall's executive decision to expel a party activist who is a leading member of the Revolutionary Workers League.

No one got a copy of the **Alberta Democrat** for three months — and it has nothing at all to do with the deteriorating services of the Post Office. The reason has now been spelled out in an editorial called **Whither the Democrat** in what is designated the Winter issue.

No matter how you read the words, the simple fact of the matter is that the provincial leadership of the party has not allocated the

provincial elections, "the amount of time your editor and regular **Democrat** volunteers has been correspondingly diminished. And the bad news is," writes editor Ross Harvey, "this condition is likely to prevail for the remainder of 1978."

Thus, as the party gears its members and approaches hundreds of thousands with its message from which it hopes not only to gather votes and win seats but to recruit new activists, its main educational weapon is not being allocated any of the additional staff that has been taken on. Quite the contrary. It is even being further drained of the few forces that have taken the responsibility for the **Democrat**.

This is not an accident, a temporary lapse of judgement on the part of the Alberta leadership, but flows from the politics of the liberal-reformist leadership of the party. It does not conceive of the few party papers as the beginnings or the nuclei of a mass circulation fighting labor press. It sees them as house organs in the narrowest sense, rarely if at all even touching on the real internal problems of the movement, above all political ones that are an essential part of the life of any living movement.

The so-called mass media, the dailies, the radio and TV, owned lock, stock and barrel by capital, not just as a profitable investment but a propaganda network, and in the case of the government-owned CBC dominated by its ideologues, is at the very centre of their concern. If they themselves do not believe it, all their actions proclaim their acceptance of the sedulously fostered myth of its



impartiality and the essentiality of winning it over to the side of the NDP. The hope of winning it over or at least neutralizing it by adapting to its pressures is a primary element in the opportunism that is widespread in the party.

Why has the Alberta NDP press, all along on a starvation diet, now, as the party confronts a federal and a provincial election with new respon-

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## The Alberta Democrat

ber mark." Organizationally the party has never been stronger, says Brook. It has a substantial trade union base and it is growing. Trade union liaison officer Bob Rusnell told the February council meeting that since the previous meeting two new locals have affiliated directly to the NDP and ten new locals have affiliated to the Alberta Federation of Labor's Committee on Political Education. Trade union support for the party in the next provincial election will far outstrip such support in the past, he assured the council.

While the treasurer's report showed a growing deficit, the party is in good financial shape with an anticipated revenue of \$250,000 and expenditures of \$270,000. An election budget is to be presented separately at the June council meeting. "The biggest single item of expense has been salaries as we employ seven full-time people plus several part-time people," reported Treasurer McEachern. It looks like the party's investment in several more staff members and a couple of cars is paying off in terms of increased donations, he said. The council meeting took time out to inspect a recently purchased van which was described "as a mobile command post for party leader Grant Notley and a headquarters for a party 'on the move'."

However, in the midst of these en-

## Constituency Corner

means, both in personnel and finances to sustain the paper on a serious basis. And it would appear that it has no intention of doing so in the future. The paper, which usually runs from 20 to 24 pages, is put out on a largely volunteer basis. It would appear that the editor of this paper of a mass movement himself typesets the copy — and the layout is done on a catch-as-catch-can basis. With the pressure of the approaching federal and



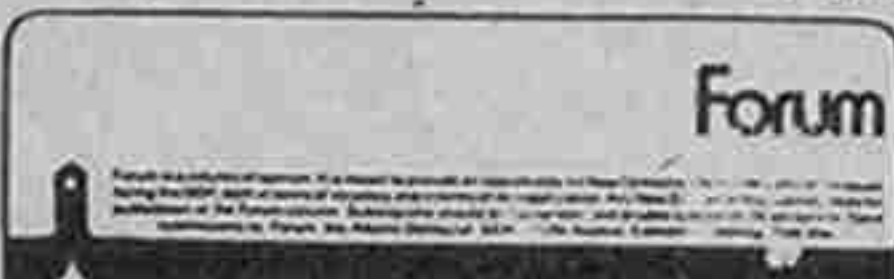
sibilities and new opportunities to address the working people of the province, and as the party successfully expands on every other front, been so drastically cut back? One can only conclude that it has much to do with the special character of the **Alberta Democrat**.

The **Alberta Democrat** is not your ordinary NDP paper. According to NDP secretary Robin Sears, it is "the best little NDP paper in the country." Of all the party papers, it is the most open to the differing views that are held in the party's ranks. One feature that is unique is the page called **Nutcracker**, that is published by the Woodsworth-Irvine Socialist Fellowship.

When the Trudeau government staged its anti-Soviet spy scare in a cynical attempt to refurbish the sullied image of the RCMP and its own cover-up of their offences, which roused raucous guffaws far and wide, but unctuous congratulations from NDP leader Broadbent, **Nutcracker** reproduced a March 1923 speech by party founder J.S. Woodsworth. It exposed the RCMP's anti-labor anti-civil rights role and called for its disbandment. In the latest issue, **Nutcracker** carries an excellent report on Cuba which doesn't end with comparisons of its achievements with other Latin American countries that have not carried out a social revolution but with oil-rich Alberta itself. "Cuba has its priorities right — Alberta has them wrong," is the conclusion.

Such feature articles as Albert Einstein's extensive essay **Why Soc-**

**ialism** in the Nov/Dec issue, the lengthy analytical article on Spain that appeared in the Summer issue, the full page update by Lorne Brown of his book **The RCMP — an unauthorized history**, and such informed and analytical articles as Winston Gereluk's **Highway robbery continues, it's time to take over oil, gas,**



with its powerful graphics, take up serious and controversial questions from a socialist viewpoint. In other NDP papers such space is usurped by reproductions of tedious and bland addresses by the party parliamentary spokesmen to the Liberal and Tory MP's on the other side of the house that are a far cry from declarations in the house and through it to the working people of Canada.

The openness of the **Alberta Democrat** probably has much to do with the stimulating character of its Letters to the Editor column and the space freely given to such letters as Art Davis' in the Winter issue which challenges that "The NDP is still snarled in consensus politics. Broadbent on national unity sounds just like Trudeau and Clark. The premise of consensus politics is, don't get too far from the government stance or we will lose votes. That is suicide. We face sell-out and potential treason in the highest places. It is time for confrontation politics."

The cutback of the **Alberta Democrat** takes place at the same time as the provincial council affirmed the executive's expulsion of Don Tapscott, after having passed a motion designating the Revolutionary Workers League an opponent political party to the NDP. Some years back when the leadership of other sections of the NDP were picking off the Waffle as a party within the party, and

socialist militants for being members of what they designated as an opponent political party (the LSA), (including persons who denied any association with the named organization), the Alberta NDP refused to play the witchhunters' game. Today, what these other sections found to be so completely counterproductive, is being picked up by the Alberta leadership.

Grant Notley himself intervened to uphold the charge against the RWL on such ground as could be levelled against any of the structured caucuses that persistently arise in labor party formations. That this organization, calling itself a League, not a party, and which gives critical support to the NDP, has for reasons best known to itself, been running candidates for public offices inevitably contested by the NDP, was probably the most telling argument that



resulted in only four of 56 delegates opposing the expulsion.

Regrettably, immediately following his expulsion Tapscott responded in a letter published in the **Alberta Democrat** that declares: where in Alberta the RWL had not heretofore run candidates, in his opinion it should now run in one or two ridings — naturally against the NDP. This course only plays into the hands of the anti-socialist witchhunters in the NDP, renders more difficult the efforts of other socialists seeking to influence the party in a socialist direction, and amounts to advocacy on the part of the Revolutionary Workers League that others should follow a policy of self-imposed exile from the ranks of Canada's labor party.

NDP ranks across the country should be on guard against these two ominous developments in the Alberta section.



# Protests starting against RCMP

by Ken Napier

As the federal government appointed McDonald Commission continues its snail's-pace, often secret, hearings into charges of illegality against the RCMP, public protests and preparations for significant actions are getting underway.

The Canadian Civil Liberties Association has launched a nationwide petition to win support for its demand that the federal government prosecute members of the RCMP who have already been clearly exposed as having violated civil rights by breaking the Post Office Act, and that Ottawa see to it that Criminal Code violations by the RCMP involving thefts, break-ins and arson, are prosecuted by provincial attorneys-general.

The circulation of the petition within the association itself has already resulted in more than 3,000 signatures and the collection of \$3,500. Dr. Daniel Hill, former chairman of the Ontario Human Rights

Commission, has been appointed special campaign coordinator. President Walter Tarnopolsky stated that the association believes "there are a significant number of people who are angry at the government's handling of these scandals," that "we're looking for the support of thousands of Canadians." The plan is to present the petition to Ottawa this fall.

An assembly of 325 persons, among them more than 70 delegates from trade unions, and including activists from citizens' groups, Catholic social action groups, student associations, left wing political formations, mostly from Quebec but inclu-

ding among others radical lawyers from the BC and Ontario Law Unions, met in Montreal over May 26 — 28.

A major decision of the conference on "Police and Freedom" was to hold a mass demonstration against repression on October 16 — the eighth anniversary of the War Measures Crisis. It also adopted a series of demands including repeal of the War Measures Act, repeal of the Official Secrets Act, prohibition of all police activities directed against political dissent, and it adopted a Declaration of Principles.

According to this declaration the  
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# Protests against RCMP

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"numerous assaults on democratic rights ... are ... far from being episodic, isolated, or the result of overzealousness on the part of the police," but "are rooted in the very logic of a permanent system of repression and social controls." The state, it declares, "under cover of national security and national unity concepts ... systematically harasses citizens and groups that in the state's views propagate progressive or socialist ideas. Such harassment serves to uphold the particular economic interests and privileges held by a ruling minority in our society."

The declaration called for a "broad and open democratic struggle to defend rights and fundamental freedoms," endorsed **Operation Freedom** — "a broad permanent coalition formed of citizens and groups who are united in support of this declaration while maintaining the full independence of participating organizations," and stressed the "necessity of collaborating with all citizens and groups with similar objectives in Quebec, Canada, and other countries..."

On June 21 the Canadian Catholic Conference of Bishops in an open letter addressed to Prime Minister Trudeau and Solicitor-General Blais called on the government to scrap Bill C-26 — a bill that will give the stamp of legality to the illegal RCMP openings of first class mail. The letter from this national organization for Canada's 116 Catholic bishops stressed "deep concern" over the ethics of the legislation, declaring it to be "a step in the erosion of democratic rights." The Law Union, the Criminal Lawyers' Association, the Canadian Human Rights Foundation have all protested against the Official Secrets Act and other repressive laws. The Tory Alberta government has even challenged Ottawa, specifically the authority of the RCMP to investigate and prosecute crimes, in a recent Supreme Court of Canada action, stating that such matters fall within provincial jurisdiction.

Of direct interest to NDPers and labor activists is the growing support which has been received by the slander suit launched by longstanding socialist activist Ross Dowson against the RCMP arising out of the latter's charge of "subversion" against Trotskyists and ex-Communists who had allegedly infiltrated the NDP.

The RCMP used these charges of

"subversion" as the main excuse for their infiltration and investigation of the Waffle and the NDP itself.

The Socialist Rights Defence Fund, organized to rally political and financial support for the suit, recently announced support of the action from such internationally known civil libertarians as Naom Chomsky, Jessica Mitford, Linus Pauling and Benjamin Spock. The case continues to receive widespread endorsement from Canadians from all walks of life, representing a wide spectrum of labor, NDP, civil liberties and cultural communities. Joining the score of individuals such as Grace Hartman and John Harney who had previously declared themselves as supporters are:

Andrew Brewin, NDP MP; Douglas Campbell, actor; Chandler Davis, professor of mathematics, University of Toronto; Dr. James J. Endicott, of the Far East Newsletter; Sam Fox, president of the Labour Council of Metro Toronto; Edgar Z. Friedenberg, professor of education, Dalhousie University; Pat Kerwin, director of political education CLC; Margaret Laurence, author; Glen Pattinson, Canadian district president IUE (AFL-CIO); H.C. Pentland, professor of economics, University of Manitoba; J.L. Skoberg, NDP MLA (Sask.); Denis Smith of Canadian Forum, and others.

Potentially among the most serious of all the RCMP wrong-doings to date, the circumstances of the NDP-Waffle investigation by the RCMP have been referred to the McDonald Commission for investigation. But, as reporter Lawrence Martin pointed out in the *Globe and Mail* June 5, though federal Cabinet ministers have been non-committal about their

knowledge of the investigation, Don Beavis, a security official in the Privy Council Office from 1960 to 1972, said that the Government knew all along about the investigation. He stated that the Privy Council Office, directly under Prime Minister Trudeau's control, had received "frequent reports on the investigation" and that the investigation dragged in "an awful lot" of other NDP people. According to Martin, "Mountie sources have said the investigation produced politically useful information on party finances and internal divisions."

These revelations confirm that the

Cabinet itself was directly involved, perhaps even directing the conduct of the NDP investigation. As to who was actually investigated, for what reason, and by what methods, the *Dowson v. Her Majesty the Queen* suit has the potential of lifting the veil of secrecy to answer these questions in a way which the McDonald Commission is unlikely to pursue.

Contributions are urgently needed to help defray the legal costs of the suit. Contributions and requests for further information should be directed to the Socialist Rights Defence Fund, 50 Thorncliffe Ave., Toronto



"I've been doing this for so long and it's become commonplace — I've never thought about it being illegal ... know what I mean?"



# Packers conspire to break strike against freeze

by Paul Kane

While prices are continuing to skyrocket and the government is trying to sustain its wage freeze by brutally forcing workers at several plants to pay back sums that it alleges broke the old guidelines, the Big Two food packing bosses have joined in a conspiracy to carry the freeze over into the post controls period.

Some 2,000 workers at the five Swift Canadian plants voted by an overwhelming majority to reject a contract offer that would continue to imprison them in the old guidelines. Six days later they voted to strike for their demands. They hit the bricks on June 19th. Then — four days later — the Canada Packers bosses threw some 4,000 of their employees, working in plants in the same cities, onto the streets in a lockout. Thus the Canadian Food and Allied Workers Union has become the spearhead for all Canadian labor against a continuation of the wage freeze.

The pickets on the line that stretches through Richmond, BC, Edmonton and Lethbridge, Alberta, Winnipeg and Toronto are firm in their determination to break through a 6.5% first year and 6% second year wage offer, to win: an escalator clause that would protect their wages from continued inflation, better pensions, and the right to refuse to perform work they judge hazardous. They are not being barraged by a campaign about their higher wages compared to those being paid to U.S. workers for the simple fact that they are attempting to regain a wage parity they once had. Canadian employees of Swift's now get about 60 cents an hour less than U.S. Swift's employees, and are badly behind on pensions and fringe benefits.

Schneiders' have been making assurances that there will be no price increases. The price of meat according to their spokesman "is governed very heavily by the price of

live cattle in the U.S." The union estimates that packers' wages in the retail price of beef amounts to only 5 cents a pound. But there is little question that the packinghouse bosses, particularly Canada Packers, whose plants in Moose Jaw, Red Deer, Calgary, Montreal and Charlottetown continue to operate, will seek price advantages.

The Food and Allied Workers will have to consider the advisability of attempting to force a quick settlement by bringing all their numbers into play. And all Canadian labor must see to it that this first major showdown of the post-controls period is a winner.

07-01<sup>st</sup>-2



## Sham & fraud of Govt's Renewed Federalism

by the Editors

A full six months before the much-touted and costly (\$3 million so far) Task Force on Canadian Unity could even pull together its report, as if in admission that the thing was a complete bust, the Trudeau government has now handed down its Program of Renewed Federalism.

For all the extravagant fanfare around its White Paper, heralded as A Time for Action, with its rhetoric about "this test" of Canadians which "must begin with a form of exorcism," and the accompanying Charter of Rights and Freedoms, what does it amount to?

Instead of a new constitution reflecting the affirmation of the Quebec nation and the rise of a highly organized modern industrial working class, instead of clearing away some of the most glaring violations of democratic rights imposed by British imperialist power through the 110 year old BNA Act, we have a mélange of propositions. Though appearing in the guise of reforms they constitute an even greater violation of democratic rights and are designed to only further obfuscate the issues and actually impede democratic solutions.

Instead of simply abolishing it, the Senate is now to be dressed up as The House of Federation. Its appointed character will not only be retained but extended through an increase in the number of sinecures with provincial governments sharing in the appointments. It will retain its powers of interference and delay of Commons

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## Constituent Assembly

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legislation.

While it projects the repatriation of the constitution, the Queen is not even to be removed as head of the Canadian state—the Governor-General is to be formally established as head of state—when the Queen is not in Canada.

It is difficult to believe that such propositions, given the profound crisis confronting Canadian confederation, will even serve as a diversion. But then the 13-page Citizens Handbook, with its guileful pretense of popular involvement, is completely silent, even fails so much as to mention, Quebec—the shadow of which looms over the whole event—and the referendums to be held there, which along with the government's own termination of office are the immediate reasons for this charade.

It is the decision of the people of Quebec to establish their national sovereignty, as expressed through the election of the Parti Québécois into government, together with the continuing erosion of Canada itself as a sovereign nation into a dependent and satellitic relation to the U.S. imperialist colossus, heightening the economic crisis here and causing the NDP and the CLC to project an Industrial Strategy, which constitute the main centres of the crisis of confederation.

It is this crisis, deeply rooted in the political economy of today's Canada which makes it not only possible but necessary to raise, counter to Trudeau's ruse, the demand for a constituent assembly and a new constitution.

While Trudeau's Program of Renewed Federalism, retaining cracks and all, only serves to delay and thus aggravate the situation, preparations for a constituent assembly that would involve every

level of Canadian society in discussion and decision-making on all the crucial issues of the day would open the way forward to solutions.

As we wrote in these columns only a little more than a year ago: "Through the process of working out a new constitution a tremendous awakening and unleashing of all the creative forces that reside in her people, particularly in the highly educated and skilled working class, would take place. The foundations for completely reshaping Canada, with all its magnificent natural resources and vast productive plant, would be firmly and truly laid. Advance the call for a constituent assembly across anglophone Canada."

### Quebec & the Canada Crisis

for a  
Constituent Assembly  
and a new  
Canadian Constitution

by Ross Dowson

Send 35 cents in stamps

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## A law of capitalism

The heights of the Canadian economy are owned and controlled by a Family Compact of wealthy industrialists and financiers whose numerous positions on boards of directors concentrate a tremendous amount of economic and political power in a few hands.

The tendency is for this tiny group to increase its monopoly hold over various sectors of the economy in order to sustain markets and methods of production which will yield high profits. Monopolization under capitalism is an inevitable trend dictated by the most important law of capitalist economy: the law of profit.

Recent proof for this trend and vindication for this analysis was provided by the brazenly arrogant Bryce Commission report on corporate concentration. To the delight of Big Business, the Commission recommended the elimination of corporate income taxes and the removal of capital gains taxes from corporations. In response to the broader question which it was required to enquire into: whether and to what extent concentrations of corporate power confer sufficient social and economic benefit to Canadian society; the Commission, headed by top representatives of monopolies in Canada, concluded that there was no need for prohibition against conglomerate merger, involving companies with overlapping holdings in major industries.

The conservative report was hailed as an indication that the wave of socialism that prevailed for the past decade had "crested" and was beginning to subside. This view was expressed on behalf of Big Business by Stewart Ripley, President of Metropolitan Trust Company of Toronto, in a speech to the Edmonton Chamber of Commerce.

Notwithstanding such demagogic nonsense, no fundamental change has taken place in government policy. But Ripley's comments and the Commission's report do betray a desire by business leaders to revitalize pro-corporate propaganda and camouflage the real harm monopolies do to our economy and to working people.

The increasing concentration of more and more economic power in the hands of fewer and fewer individuals of the ruling class was considered a benefit not a problem by the Bryce Commission. The idea of lifting the veil of secrecy over the ruling class and studying the books of the corporations was not even contemplated. The Commission was, in the words of Marc Zwillung, Ontario Representative of the United Steel Workers of America, "a tightly-held unit tied to business and had no representative from citizen, labour or consumer groups." Far be it for the civil servants and advisors of Canada's current family compact to point accusing fingers at their masters.

The gall which the cynical Trudeau government displayed in openly having their sycophants on the Bryce Commission call for a return to unregulated free-rein, capitalist enterprise, was not entirely unexpected. It shows that the partisanship for monopoly business interests is deeply ingrained in the fabric of Canada's government which is powerless and impotent in the face of monopoly interests. More, it sees itself as the defender of such interests.





Pierre Arnault



Jacques Beaudoin



Jacques Morrisette



Jacques Thibault

## Solidarity with jailed Quebec prisoners

by Jean Laplante

A powerful campaign is underway to win the immediate release from prison, and the wiping out of the 60 and 90 day sentences that a Montréal court has imposed on four leaders of the transit maintenance workers' union, affiliated to the Confederation of National Trade Unions (CSN), as well as the cancellation of the \$63,000 fine levied against their union.

The four union militants — the former president of the local, Jacques Beaudoin, the former treasurer, Jacques Thibault, the former business agent, Pierre Arnault, and the current president of the local, Jacques Morrisette — presented themselves at the main courthouse on June 1 for incarceration at the infamous Bordeaux Jail.

They were sentenced the previous

week for defying a court injunction that ordered the union membership back to work in a 43 day illegal strike that took place in 1974. The chief demands of the strike were that union contracts should be re-opened and wage rates indexed to the rising cost of living, and that the courts should not be allowed to grant injunctions to break strikes. Their militant struggle won widespread support throughout Quebec. The fight to win freedom for the four is rallying ever wider support. On the same day the central council of the CSN unanimously demanded the repeal of the sentences and urged all its affiliates to do likewise. The local to which the four imprisoned belong has called upon the Canadian Labor Congress and all its provincial federations, area councils and union local affiliates, to demand the release of the four and the repeal of the sentences. Union locals across Quebec, La Ligue des Droits de l'Homme, and the Quebec NDP, among other organizations, have solidarized themselves with the campaign. The Parti Québécois Labor Minister, Pierre-Marc Johnson, stated that it is strictly a judicial matter, and the law must take its course, in defence of his government's failure to intervene.

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# Israeli peace forces oppose expansion

by Ken Napier

The Peace Now movement, which arose some five months ago within Israel and which, at its crest, mobilized 50,000 in a demonstration acknowledged to be the largest in Israel's history, constitutes the most significant expression of opposition to a specific Zionist policy from within the Jewish community since the end of the Second World War. In addition to creating an atmosphere of domestic instability within Israel, limiting the government's room to ma-

peace now."

The goals of the anti-annexationist movement within Israel have the support of more than one out of three Israelis, according to an opinion poll referred to in the *Toronto Star*, on May 10th.

One of the impacts of the Peace Now campaign was the support which it won from 37 prominent U.S. Jews including Irving Levine of the American Jewish Committee and Nobel Prize winning novelist Saul Bellow.



oeuvre and increasing tension within Zionist circles, the long term implications of this movement threaten Zionism itself as a political force and ideology.

Three hundred Israeli war veterans, many decorated war heroes and high-ranking officers, petitioned Begin in April to adopt a non-annexationist stance in negotiations. Days later 50,000 Israelis in the largest political protest ever in Israel poured out of the universities, high schools, kibbutzim and barracks to "protest the uncompromising and extreme policy of the government." The demonstration, which heard leaders state that "we have more responsibility toward our children than toward our fathers" was held under the slogan "Peace is Preferable to an Enlarged Israel." Other protests followed: a petition signed by 360 Israeli professors and intellectuals urging support of the Peace Now campaign; the announcement by 300 religious Israelis that peace was more important to them than hanging on to the occupied west bank of the Jordan River because of its religious significance; a 12-mile human chain through Jerusalem on April 26th to pass along a petition urging Premier Begin to modify his annexationist policies, and a signature on postcards campaign which has garnered 60,000 signatures, and which states:

"Mr. Prime Minister, I am writing to you about peace, knowing the great responsibility you carry. You represent me and the whole of Israel in the current attempt to bring peace — now. I urge you not to endanger peace by further settlement (in occupied Arab land), don't take a path from which there is no return. I love Israel. I want

The movement brought to the attention of the entire world that Jews were not unanimous in standing uncritically behind every twist and turn of the Israeli State. Such a public display of differences is intolerable to the Zionist establishment, which peddles its line around such slogans as "We are one" and warns world Jewry to refrain from criticizing Israeli policies so as not to jeopardize the solidarity of Jews who are taken in by the canard of survival only through a national homeland at all costs.

Since it is the essence of Zionism to view the preservation of an exclusively Jewish state as taking precedence over all other political questions, the Israeli anti-annexationists, simply by refusing to toe the line at all costs, undermined the emotionalism, hysteria and chauvinism necessary to maintain blind adherence to Israeli policies.

This identity between government policies, Zionism, Jews and Israel has been the fundamental propaganda of Israeli governments in attracting support from young humanists who see in Israel assurance that the Jews will not be subject to genocidal policies once again.

Though the movement was built on the illusions that a negotiated peace was possible without solving the question of Palestinian rights, the anti-annexationist drive of the movement pitted it against the government on an issue of absolute importance: expansionism. Reflecting its colonial-settler nature, Israel has found it necessary to repeatedly extend and expand its borders in order to continue to exist as a garrison military-state exerting constant pressure on its neighboring Arab countries. The "Peace Now" movement

argues that continued control over more than one million Arabs who don't want to be under Israel is inconsistent with maintaining the Jewish and democratic character of the state. Militarism and expansionism cannot be abandoned by Israeli governments without a fundamental weakening of the nature and rationale of the state itself. A massive movement of the Israeli people against the implementation of such a policy poses serious omens for Zionism, by reversing the previous solidarity of the masses with Zionist policies, and by objectively weakening the ability of Zionism to expand.

The roots of the Peace Now movement extend into 30 years of unkept promises, unnecessary wars, ongoing economic sacrifices, and growing reliance on the inconsistent goodwill of the U.S. State Department. The religious and reactionary coalition which Begin led was elected by many Israelis who could find no other political alternative to the so-called labor government. Begin's message was not so much of austerity, unemployment and anti-Arabism as it was of self-reliance, independence from the United States and decisive efforts on the negotiating front.

The Peace Now movement was spawned by Begin's inability to meet these expectations. The last year has seen Israel's reliance on U.S. imperialism grow while at the same time Israel has begun to lose its special status with the U.S. State Department. Add to this the shattering disillusionment experienced in the wake of the failure of the Sadat-Begin negotiations to yield any fruit, and a domestic policy of austerity which resulted in a 40% increase in the cost of living, and what became widely believed to be a significant military over-reaction by the government which resulted in the invasion of southern Lebanon and supervision by U.S. peace keeping troops, which was the last thing Israel wanted, and one has the scenario of the circumstances which led to the rise of the Peace Now movement.

Begin's baiting of the movement as U.S.-inspired is a testimony to his fear of confronting it directly on the issue of colonization. It is, in fact, the Begin government, which is slowly losing its special military-political status with the U.S. State Department, that appears more and more dependent on U.S. imperialism. Caught between its role as a U.S. client-state having to make concessions to the Arab world in the interest of a negotiated peace and its own needs to drive the Arabs further into the desert, the Israeli government appears unable to resolve its contradictions or pose a way out of the dilemma.



07-01-76

## **Socialists clarify aims in current situation**

by Wayne Roberts

A new organization, the Forward Group, has been formed to replace the Socialist League, whose members have been involved in the publication and distribution of **Forward** since 1974. The new name was adopted as more in keeping with supporters' evaluation of their purposes, and more befitting members' appreciation of the road ahead for the Canadian left as an integral part of the NDP experience.

The S.L. was formed in 1974 when a group left the League for Socialist Action. The S.L. hoped to prevent the dissipation of the Trotskyist heritage in Canada, especially its long-standing record of support and positive criticism of the NDP, and its identification with anti-U.S. imperialist sentiments which were then fostering a new generation of Canadian Marxists. The sectarian positions of the LSA and Revolutionary Marxist Group (now together in the Revolutionary Workers League) advocated through the pages of **Socialist Voice**, made the creation of an alternative organization necessary.

At the time of its formation, "league" had a definite meaning within the Canadian left. It expressed the perspective of a group to assemble the forces for a dedicated organization of consistent socialists, while solidarizing with and working within the NDP, the only working-class organization which can lay claim to the status of party, the only organization based on the mass consciousness of working people. The term "league" expressed the idea of an organization which had primarily educational purposes within the larger organizations of the working-class movement.

Since that time, with the disintegration and degeneration of various tendencies in the revolutionary left, organizations like the Revolutionary Workers League and the Communist League, have presented their tiny organizations as parties. Like the Stalinized Communist Party, they have the pretensions of a party, running candidates against, opposing frontally, and working outside the NDP. The tar from their brushes was being wiped on all organizations with similar names.

Public clarification therefore be-

came necessary, in order for S.L. members to maintain their work in the NDP and avoid confusion, misrepresentation and misinterpretation.

The clarification is particularly timely at this juncture, when left forces are beginning to congeal within the NDP, and when left forces outside the NDP are beginning to reconsider some of their ultraleft decisions taken during the 1960's and early 1970's. Maintaining the perspective that a Marxist organization will be built on the basis of fusions within the Canadian left, fusions which will crystallize from the NDP experience in particular, the clarification was required to eliminate artificial organizational barriers to possible cooperation on the basis of ideas.

Forward Group welcomes the involvement of all likeminded socialists, working to build a fighting left wing in the NDP and labor movement, in the production and distribution of **Forward**.

## **Fund Drive off to late start but now picking up steam**

by the Editors

As we go to press, our tallies show that of the targeted \$5,000 for the Forward Fund Drive, we have attained in pledges and receipts only \$2,615, even though July 1 was set as the deadline for the drive. However, we do not attribute this to a lack of adequate response on the part of **Forward** supporters. The failure lies in our late start in getting the fund drive organization and mailing campaign underway.

Because we were caught up in moving our offices to a better location, we were unable to commence serious organizing until well into June. The time and energy put into the moving ground our other work to a virtual halt. But despite all that, remarkably, our supporters have raised more than half the goal.

We are encouraged by your response and we plan to wind up the drive by the end of July. In the meantime, we will continue to work to make **Forward** the socialist voice in the NDP by taking up the important issues of the day. For example, we allocate space for republishing key and substantial contributions to the development of a socialist perspective and a socialist program such as those quoted from federal NDP Spadina candidate Dan Heap and the federal Trinity NDP riding in this issue.

If you haven't yet made your contribution to the fund drive, don't delay! Just take out your cheque book or make out a money order payable to Forward Fund Drive, Box 778, Adelaide St. P.O., Toronto, Ont., M5C 2K1.



# Oh Canada

By Paul Kane

The proclaimed aim of the long-delayed new Bank Act, handed down by the government last month, is to increase competitiveness of the 11 chartered banks. Canada's highly monopolized financial institutions, governed by the Bank Act, in the face of increasing domination of the economy by U.S. imperialist interests, have long been ballyhooed, if not one of the last, as certainly a key bastion of strength of the indigenous Canadian capitalist class. They have been alleged to ensure Canadian capitalists' ultimate control of the Canadian economy and the state as an independent capitalist power. This, despite the fact that these institutions of Canadian finance capital actually accumulated the funds that have been utilized by U.S. monopoly capital to buy up the key strategic sectors of the Canadian manufacturing and resources industries.

The new act will not only result in less competitiveness and increased monopolization. If the powerful Big Five of the 11 chartered banks and the Bank Act ever did constitute a barrier to the U.S. takeover, that barrier has now been breached by the Trudeau government.

Foreign banks, heretofore barred, can now apply for a federal charter. There will be a few restraints. They will not be able to operate more than five branches. But that is not all bad from their point of view. They will not structure the costly far-flung branch system that provides certain services to the public, and will be constrained to concentrate in the lucrative Big Business deals in the major centers—to skimming off the cream. The foreign banks will be limited in total assets to 15% of the total bank commercial lending in the country — about seven billion dollars. How this 15% is going to be allocated to the various banks that obtain charters will be a matter of government policy, rather than part of

the law, and the cabinet would be able to increase it.

Canadian banking interests, largely through their silence, have given their approval to the revisions to the act. Earle McLaughlin, chairman and chief executive officer of the Royal Bank — Canada's biggest — stated that "I still don't think there is any reason to limit the size of foreign banks, either individually or in total." He even took advantage of the opportunity to call for the scrapping of the totally ineffectual Foreign Investment Review Agency, which permits Ottawa to scrutinize takeovers and block them if it does not consider they will bring significant benefit to the economy. He also denounced as "a gratuitous insult" a token regulation, designed to allay widespread fear of the power of the boards of directors of the banks, and suspicions of conflicts of interest, that would forbid the officers of the chartered banks from holding outside directorships — a regulation that will still permit him to retain his directorship in General Motors, as it is not incorporated in Canada.

Henceforth, non-bank officers on the boards of directors of the chartered banks will not be required to hold a minimum number of bank shares. The banks got an additional plum, which it is estimated will raise their after-tax profits by about 45 million dollars a year, by being allowed to reduce the reserves they have been required to hold. They will also be allowed to expand their lending powers to include leasing and factoring—a 3.5 billion dollar market, 75% of which it has been estimated they will take over in 10 years.

The dependency of the Canadian economy on trade with the U.S. and the massive layoffs in the U.S. owned and controlled branch plant operations have thrust to the fore the need for an industrial strategy — now being promoted by both the NDP leadership and the Canadian

Labour Congress.

But there can be no industrial strategy that does not have as its premise the control of the financial and banking institutions of the country. The revisions of the Bank Act now before Parliament must be the opportunity for a massive coordinated campaign by the NDP M.P.'s and the organized labor movement for the rejection of the Liberal government's capitulation to the U.S. banking interests and their Canadian junior partners, and for the public ownership of all the key financial institutions, in particular, the chartered banks. Only then could we seriously get down to planning the economy so that it serves the working people of Canada and of the world.

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The sober Science Council of Canada in its annual report tabled in the House of Commons this month challenges that Canada is going to be thrust deeper into an "economic doldrums" because foreign ownership of Canadian industry results in branch-plant operations that do not develop technology but import it from the parent firm.

The report noted an "alarming decline of Canada's technology based manufacturing sector." It warned that "fundamental shifts in the global technology market will exert even greater pressure on Canada to regress to a strictly resource-exporting status with little economic self-termination", that in fact Canada was losing its "capacity for self-determination".

It sustained its statement that "Canada's situation is in many ways comparable to the predicament of many Third World countries" with such figures that between 1950 and 1974, \$20 billion in foreign capital entered Canada while \$40 billion left in the form of interest payments, dividends, and service charges. In 1975 alone, six billion dollars left Canada in these ways.

07-01-7



## ON THE LINE

by P. Kent

07-01-78

### A strike blacked-out Why change in tune?

You've possibly not even heard of this strike — although it involves thousands of workers, has paralyzed entire communities, is being waged by the country's second largest union against some of the most powerful corporations in the world, and is now going into its fourth month.

The strike has completely stopped all mining, pelleting and shipping — some three-quarters of the iron ore production in Canada — in Northern Quebec and Labrador. Some 10,000 workers in 21 locals have closed down the industry which is the life blood of the community of 35,000 people in Sept Iles and seven other towns on both sides of the border. The workers are fighting for a new contract following the expiration of the old three-year contract they had with such giants as Iron Ore Company of Canada owned by the powerful U.S. Hanna and Bethlehem steel barons.

One of the reasons little is heard of this gigantic struggle is that the bosses haven't the slightest possibility of breaking the solidarity of the workers and the communities through so-called public opinion, through government intervention, through RCMP terror or scabs.

### Ask those who know

The explosions that have demolished giant grain elevators across America, as well as killing scores of workers, are causing the owners of these costly structures to break new ground in labor relations.

On the request of the government, the wealthy grain and flour corporations, some 21 of them, are striking off a task force to gather information about conditions in their 4,000 elevators. And they are asking those who have never before been asked — but only told what to do — the workers who run them.

The vice-chairman of the task force said, "The idea is to talk to people who really know what's practical and impractical." He quoted the head of the union that represents the grain handlers, the Brotherhood of Railway, Airline and Steamship Clerks, that the hearings mark the first time in 20 years that he has seen management and labor sit down together to deal with problems common to them both.

The task force is not working on the effects of grain dust on workers' health, he noted. That appears to be the province of the Gage Research Institute.

It is hard to grasp what is behind the new Canadian Labor Congress president-elect's recent public attack on the demand for a shorter work week. One thing is certain, Dennis McDermott presented no case whatsoever against this demand that is becoming ever more widely understood as a key one to be won in the struggle against unemployment.

Winding up last April's CLC convention of 2,500 delegates was a tumultuously acclaimed, strongly worded resolution approving a nationwide campaign by organized labor for a 32-hour work week with no loss in pay. The resolution sought to "emphatically impress" all affiliates that a 32-hour work week would be an effective tool against unemployment by creating jobs for over a million jobless. The resolution projected a massive campaign to be led by the CLC and provincial labor federations.

But only seven weeks later McDermott publicly attacked the shorter work week as "impractical" and a Canada-wide struggle for it as not having "any point" unless the British, the Germans, the Americans and the Japanese "follow suit," and as not having any point unless "there is absolute and universal control over overtime." To these conditions which Canadian labor cannot guarantee he added the condition that

the struggle be universal. Otherwise, mouthing the longstanding canard of boss propagandists that wages are the key determinant of prices, he said "we simply put ourselves in an extremely uncompetitive position in our respective trade relationships."

Certainly McDermott's arrogant violation of the democratically arrived at policy of the organization he heads nipped in the bud any illusion there may have been that the passage of a resolution actually meant that something effective to win it was going to be done by the CLC leadership, himself included, without massive pressure from the ranks. Perhaps he wanted to allay any fears that the bosses might have had that his election into office marks a substantial turn to a more militant and class struggle stand by the CLC leadership. McDermott's flouting of the membership's will certainly won immediate and widespread acclaim from the entire range of capitalist opinion.

Only a few days later a three-day world trade union conference in Detroit set the 35-hour week as a goal for the hundreds of thousands of workers in the auto industry across the globe. The conference brought together 150 trade union leaders from 25 countries.

But not waiting for some other section of world labor to bestir itself, representatives of the United Autoworkers of America, of which McDermott used to be Canadian director, reported that next spring's bargaining conference will have before it a proposal that they should mobilize their forces to win a 35-hour work week from the U.S. auto bosses. The McDermott's may delay it but nothing is going to stop it — for the shorter work-week's time has come. Otherwise, in the face of capitalism's inability to expand and create new jobs, we are faced with future generations being condemned to unemployment.

### How to fight fascists

Delegates who tackled the executive of the Metro Toronto Labor Council for not calling for the banning of the fascist Nationalist Party are treading on dangerous ground. The question came up when the executive, voicing its concern that the fascists were seeking registration in Ontario as an official political party, urged the government commission to carefully check out all names on the registration petitions.

Delegates who often give genuine leadership in opposition to weak-kneed positions of the executive, in expressing their indignation and hatred of the fascists, took the floor to even challenge the executive's contention that laws banning fascist parties could be used against the left. Nonetheless life itself has proven that to be a fact.

Labor cannot farm out the fight against fascism to the Ontario Tory government or any government of Big Business. To even urge such regimes to enact a ban of such a cabal is to concede that they should have powers that would permit them to ban political parties, and is to foster the illusion that they can be entrusted with the responsibility to act against fascism.

While it is correct to be ever alert to the fascist danger it is quite erroneous to depict the fascist expression of capitalist reaction as a real and present danger. Today in fact it is the parties of capitalism masking themselves as anti-fascist and democratic that are the gravest danger. From where we stand it is not a handful of fascists but the Liberal Party in power in Ottawa with its cover-up and legitimization of RCMP violations of civil rights which is the clear and present danger to our democratic rights.

The militants should be educating and helping mobilize the mighty forces of organized labor to demand the abolition of this quasi-military conspiracy against the Canadian people and to expose all those who stand in the way.



# Trudeau retreats in Petrocan charade

by P. Kent

Whatever else happened in the two to three week melodramatic shenanigans surrounding Husky Oil's holdings in Saskatchewan-Alberta, the first thing that stands out clearly is that the federal Liberal government's crown corporation Petro-Canada is now on the outside looking in. Remember—it all started with Petro-Can's offer to buy into and then buy-out Husky Oil.

When it was set up, Petro-Can was presented by the Trudeau government, amidst great fanfare, as a means to assure Canada some say in the production, distribution and

price of the oil lying within Canadian borders. Its premise is that you don't need to place under public ownership, and least of all, under workers' control, the natural resources of the country so that the people and not just the corporate elite benefit from these "god-given" resources. And you don't need to own them or even control them, at most just an intelligent consultative voice on a board that does own them. Any Canadian, at least anyone who has the money, if they can't buy into Imperial Oil or Exxon, could buy a few shares of Petro-Can. It is a sort of rich man's do-it-yourself buy-Canada-back project. It has been as irrelevant as the federal government's FIRA and various other projects in realizing their proclaimed aim—halting or slowing down if not reversing the U.S. takeover of the Canadian economy.

But suddenly, in mid-June, with official sanction, indeed with official direction from the Liberal federal cabinet, Petro-Can made a bid to buy out Husky Oil of Wyoming. Husky, 65% U.S. owned, is a pigmy among Western oil giants with little more to its name than leases on land in southern Saskatchewan and Alberta which floats on a sea of very heavy oil that is costly to refine. The Husky interests did nothing to even cause ecological problems because they have done nothing but sit; as speculators, the world situation and nearby developments, raised the value of their holdings. The government of Canada politely offered to buy back a portion of Canada for a princely sum with the projection that it would develop this long held-up heavy oil field and stimulate others to develop their holdings.

Petro-Can's offer was considered by many of those who know about these things as being far too generous—but no matter, Husky interests arrogantly brushed aside the Canadian government's offer and

even solicited a supposedly better one from the giant Los Angeles-based Occidental Petroleum Corporation. The federal cabinet, guiding Petro-Can, did not even hint that it might nationalize Husky, and indemnify its owners at some agreed upon price, not to mention confiscate it, although the Occidental bid embarrassingly put the heat on FIRA and the federal government to accept a new U.S. ownership of Husky. As Husky shares continued to rise on the stock market Petro-Can raised its bid.

Under U.S. government rules, having made a takeover bid Petro-Can could not buy up more stocks. But that didn't prevent others from buying up Husky shares—Alberta Gas Trunk Line Company has—to the tune of 35% control. With that Petro-Can announced its withdrawal from the affair.

While the corporate cooks are still whipping up much smoke, some of the results of their machinations so far are clear. Speculators in Husky oil stocks made fortunes, and all the oil interests benefitted. Husky itself has raised the value of its assets considerably—solely by its and others' boardrooms manoeuvres. Is the Saskatchewan-Alberta heavy oil field any closer to development? Highly doubtful when corporations can mint fortunes without any development (always risky) at all. In fact AGTL's bid is now conceived by some of its board as having eaten away at its credit and credibility, jeopardizing its capacity to raise up to \$10 billion for the Alaska Highway natural gas pipeline venture.

But above all on the basis of this experience alone it would appear that it's not just a good idea but that there is no other way than public ownership if the working people are to benefit from Canada's natural resources. And it is high time that this was raised as a popular campaign that could win it.



# Conflict over RCMP raises Watergate cry

by P. Kent

The cover-up of RCMP illegalities in which the government-appointed McDonald Commission has played a key part, has been partially exposed by the recent actions of the government itself. Just as the commission, which for some 14 months of plodding, on-again off-again, from public to secret hearings, and back again, was approaching its long-slated questioning of solicitors-general and senior political and state officials, the legal spokesmen of the RCMP and the government posed a new problem to the commission. The government, they claimed, and not the commissioners, would determine what evidence and testimony would be heard in public or heard in secret.

Coming on the eve of the mini federal elections Progressive Conservative leader Joe Clarke took advantage of the situation to break his party's silence on RCMP illegalities and denounce Trudeau as "acting like the Richard Nixon of the North". He threatened that should a PC government be elected next year it would conduct a second inquiry. On behalf of the strangely silent NDP parliamentary caucus Ed Broadbent, instead of exposing the cover-up, spoke in defence of the commission. To deny the commission its independent authority, he protested, would "completely undermine the commission's credibility..."

That word of infamy—WATERGATE—which up until now has only been uttered in private, with a wink and a cynical dig, has now begun to be voiced openly. The commission itself, in the course of Judge McDonald's 33-page-long reprimand of the government, referred to the 1974 Watergate case in which the U.S. Supreme Court, rejecting Nixon's claim to executive or cabinet privilege, ordered him to turn over the

tapes of Oval office conversations.

The commission could not say less. Faced with Trudeau's words that it "should not have the right to tell the public what certain ministers and I said about the operations of the RCMP", the editors of the *Toronto Star* thought that the commission had no alternative but to resign. If it had not spoken out with strong words it would not have retained even a semblance of integrity.

Affirming that it will want to investigate whether the RCMPers who carried out illegal operations "were doing so upon the direction or with the consent or at least without the disapproval of a minister of the crown", the commission declared that "unless these inquiries are held in public they are unlikely to achieve their main purpose".

The purpose is not to doggedly pursue the truth and to see that justice is done. From the days of the demolished Keable Commissions' revelations of RCMP crimes until this day, no criminal charges have been laid. One self-confessed criminal, Inspector Cobb has even been promoted to higher office. "Their main purpose", as the commission statement spelled out, is "namely that of restoring the confidence of the public in the integrity of our public life. And without this confidence no democracy can long survive."

All this does not mean that the

commission has been challenging Government-RCMP lawyers' efforts to block the public presentation of evidence on the grounds of "national security" or "executive privilege", or that the commission will be really opening up its hearings. Quite the contrary. Trudeau himself, in explanation of his government's declaration of executive privilege if necessary but not necessarily executive privilege, gave unequivocal approval of the commission's conduct. "There is no case," he affirmed "where the government and the commission have not seen eye to eye in everything that has happened in front of the commission."

Judge McDonald warned Trudeau that by undermining the credibility of the commission he was diminishing the legitimacy of the government itself—its ability to assert that it rules with public consent. Nonetheless only weeks earlier the McDonald

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# Controversy at McDonald probe

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commission was warned by no less a person than the Attorney-General of Ontario that it was itself guilty of undermining its own credibility.

On September 20 Attorney-General Roy McMurtry informed the press that a request from his office had been rejected by the commission. Back in July he asked permission to have an observer at closed sessions relating to any RCMP crimes committed in Ontario. "As the Attorney-General and therefore the Chief Crown Law officer in this Province," he wrote, "I believe that I have a legal and constitutional duty to be apprised of any information concerning potentially criminal acts within Ontario."

The commission's chief council rejected McMurtry's request on two grounds. The first grounds were the very same "in the interests of national security" that Nixon had used and now Trudeau is using against the commission itself. Presumably neither McMurtry or his appointee can pass a security check that is satisfactory to the commission. The second was that the Ontario Attorney-General's office had no cause to worry that any information coming into the commission's possession that a crime has been committed in Ontario which might prejudice law enforcement by not being communicated to appropriate authorities would not be promptly handled by the commission itself. The commission told the Ontario Attorney-General that it will report such matters, not to his offices but to the federal cabinet—the very same body whose conduct the commission is presumably investigating.

McMurtry's reply of September 20,



Author Pierre Berton takes a turn at civil liberties table on Toronto's Yonge Street. These and other actions indicate turn of public opinion against RCMP's crimes.

that "this surely is a total derogation of the Attorney-General's obligation and authority in the administration of justice under the constitution" has gone unanswered.

Ottawa's leaning on the McDonald Commission as it approaches its querying of leading government figures' and state officials' involvement with RCMP illegalities, and the commission's own ruling against the Ontario Attorney-General's request, have important implications for the fight for democratic and civil rights in general and in particular for the slander suit initiated by longstanding socialist activist Ross Dowson against the Queen. It was McMurtry, in reply to enquiries by the NDP house leader about RCMP harassment of the NDP, who revealed to the Ontario legislature last fall that the RCMP admitted to investigation and infiltration of the NDP. It did so under

the pretence that the NDP harboured what it labelled as "subversive elements"—ex-Communists and Trotskyists—members of an organization of which Dowson was the leader at the time. It charged this organization with tending "to promote changes brought on by violence and undemocratic means."

Civil rights lawyer Harry Kopyto has declared that he anticipates that in the conduct of Dowson's suit against the Crown it will be revealed that individuals at the ministerial and cabinet level had full knowledge and control over RCMP "dirty tricks" directed against the NDP and the trade union movement. These recent developments indicate that the case will have to be hard fought to achieve these aims.

The Socialist Rights Defence Fund (SRDF) campaign to raise support for Dowson's legal action against the RCMP is receiving money and expressions of solidarity from widening forces across the country. Recent additions to the impressive list of supporters—which already includes Linus Pauling, Benjamin Spock, Naom Chomsky and NDP Foreign Affairs critic Andrew Brewin—are writer Margaret Atwood, Ontario NDP President Jack Murray, Jean-Marie Bédard, president of Regional Council 2 of the International Woodworkers of America, Raymond Barbeau, secretary of Fédération nationale des syndicats du bâtiment et du bois inc., etc.

The campaign, generally ignored so far by the mass media, has received favorable publicity from *The Commonwealth* (Sask.), *The Alberta Democrat*, *The Canadian Information Sharing Service*, *The Toronto Clarion*, and others.

To aid the SRDF in its work and for further information, contact Chris Judge, administrative secretary of SRDF, 50 Thorncliffe Ave., Toronto, M4K 1V5.

## RCMP disciplines junior officer in attempts to plug future leaks

The decision of the top brass of the RCMP to discipline a junior officer for testifying that the RCMP did some illegal buggings has aroused such protest that Solicitor General Blais has been compelled to promise that the government will introduce amendments to the RCMP Act that will allow Mounties to have a lawyer at RCMP hearings.

The RCMP Act codifies the paramilitary, conspiratorial, secret-police character of the force. It disallows an RCMPer the right to legal counsel at RCMP internal hearings (secret trials).

According to one report, Corporal William R. Radey, now charged by his superiors with disobeying an officer and making false statements, could be dismissed, with loss of any

accrued benefits, and could be imprisoned for up to one year.

Corporal Radey testified in private to Justice J.H. Laycraft, who this spring headed an inquiry into the handling of an investigation of fraud by a travelling carnival group. Radey testified that the RCMP bugged three Edmonton police, whom he had been assigned to help in their investigations of the case.

Alberta's Attorney General Foster has protested that instead of being punished, Radey should be congratulated for his participation in the inquiry. This highly controversial action by the RCMP brass can only be understood at this juncture as designed to warn any other members of the force from talking about what they know of RCMP illegalities.

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**forward** (34) November 1978

# Stop branch plant closures!

by Jean Laplante

In one swoop, some 240 workers in St. Catharines were tossed into the ranks of the unemployed last month. Their jobs, their skills, their hard-established union Local 199 of the United Automobile Workers (CLC), their ability to sustain themselves and their families, wiped out by a decision of a corporation based in another country over which neither

they nor any segment of the Canadian people, nor governing institutions in Canada, have even a figment of control.

The decision, with all its ominous implications for the workers and the community, was made with a stroke of a pen by the owners of Columbus McKinnon Limited Corporation of Tonawanda, U.S.A. They unilaterally gave the order that closed down and disassembled the manufacturing facilities in the St. Kitts plant, turning it into a warehousing operation for goods being manufactured in U.S. plants to service the Canadian market.

Simultaneously, in Oshawa, nearly 200 workers organized in a United Steelworkers (CLC) local were shut out of the Fittings Limited plant. The U.S. owners decided to close down their plumbing division there. These are only two incidents in what is an increasingly common phenomenon. During late July and August, while fewer job opportunities were being created, some 1,150 jobs just disappeared through such shutdowns and closures of U.S. corporate owned branch plant operations in Canada.

What to do in such a situation?

The Steelworkers, in a letter by District 6 Director Stewart Cooke, appealed to the Canadian government to take action against the Oshawa shutdown. "It is time to make employers open their books, justify layoffs, retrain people instead of disposing of them, or find them new jobs before exterminating their old ones."

But the Fittings Limited owners have decided that they have no interest whatever in their old employ-

ees, let alone in training others in the Oshawa area. They have closed down everything including their books, and pulled out beyond the jurisdiction of Canadian institutions—the union, and the government too, even if it were prepared to take some kind of drastic action. The minister of labor reported that after two meetings, company officials declared that their decision to close was irrevocable. As an institution for profit making in a "free enterprise" capitalist economy they decided to close up and pull out regardless of other consequences, thereby rendering Steel Director Cooke's propositions inoperative.

In the face of what the leaders of the now defunct St. Kitts UAW local scored as a "callous and irresponsible action on the part of a foreign corporation" the Canadian UAW leadership has appealed to Ottawa to impose stiffer tariffs on Columbus McKinnon products—on the hoists and chains that will be warehoused by a Canadian skeleton staff for sale to companies here. While it is highly doubtful, should continentalist Ottawa make a volte face and implement higher tariffs, that a Canadian-owned industry would spring up—what Canadian capitalist would not take advantage of the tariff to pass the costs along in higher prices on the goods ultimately paid for by Canadian consumers? Meanwhile the St. Kitts plant is idle, its equipment deteriorating or being dispersed and its labor force unemployed and scattering.

The continuing world-wide capitalist recession is having a brutal impact on the branch plant economy that capitalism has spawned in Canada. Its "privileged" position as an appendage of the powerful industrial plant of the U.S. corporate elite, based on resources extraction to feed that plant which is now itself in difficult circumstances, is revealing its all too negative aspects—its character as a semi-developed dependency with whole segments

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## Stop U.S. branch plant closures!

*continued from page 1*

disposable when they no longer serve U.S. corporate interests.

The capitalists can write off a plant but workers cannot allow themselves to be written off. The St. Kitts auto-workers local leaders protested: "the action points to the necessity of buying back Canada for the interests of Canadian people and Canadian workers."

The plants remain. The skilled

work force is not yet dispersed. The Auto and Steelworkers leaderships proposals will do nothing to meet the situation. The union movement and the NDP must launch a drive to force the government to allocate public funds to defend the jobs of the Oshawa and St. Kitts workers—not in unemployment insurance or welfare payments but by taking over the closed plants under public ownership and retooling them to produce goods

needed in the community. We would propose that, if the companies are to be given anything, that they be paid to the amount that they are writing the plant off at, less any and all grants and subsidies that they have ever received. We would further propose that the plants be placed under the control of the workers who had previously run them.

11-01-78



## Forward editors question Toronto alderman's letter

11-01-78

Toronto

To: The Editor of the New Democrat  
and The General Secretary of  
the ONDP

About: "After Trudeau, What?"

From: Dan Heap.

I wish to clear up a possible misunderstanding about the article I offered for publication in the New Democrat "After Trudeau, What?"

The Spadina campaign distributed the article, mimeographed, to the Spadina membership early in June, and to the federal council delegates about the same time. One June 19th, while at Provincial Council at Windsor, I offered it to Wendy Hughes for the New Democrat, with a few amendments written in. A few days later I heard it had been printed in the Socialist Voice, and again

later in Forward.

The point I wish to make is that both the Socialist Voice and Forward printed it without notifying or consulting me, let alone having my permission. I regret that this is how they see their relationship to those who do not belong to their groups. I also regret that their action may have the effect of reducing the likelihood of the New Democrat publishing the article.

I do wish to participate in debate on this crucial issue within the main stream of the party and hope it will not seem to be monopolized by cliques on the fringe.

Fraternally,  
Dan Heap  
c.c. Socialist Voice  
Forward

### A Reply:

Dan Heap's excellent socialist critique of Ed Broadbent's version of an industrial strategy astonishingly contrasts with his unwarranted criticisms against other left wingers in the NDP. After all, against the opportunist and reformist leadership of the party, there stand precious few militant socialists ready and willing to do battle for the objective interests of the working class—and we have big responsibilities to each other in our common cause.

Surely Comrade Heap recognizes that the NDP is not just the property of the current leadership. Isn't the NDP the party which represents the workers as a whole? Shouldn't we as principled socialists regard all debates, positions and discussions as belonging to all socialists and workers? Does Heap mean to suggest that it's up to the party higher-ups to grace or ostracize left wingers as it wills by rejecting or accepting important positions put forward in a party which we socialists try to maintain as an open movement?

When Heap says Forward published his statement without asking him, we plead guilty. But not to any wrong-doing. We published it only after he circulated it to his riding. We didn't violate anybody's rights by making Forward the vehicle of left opinion expressed in the NDP. We did our chosen duty to the working class movement, whose right to know and understand left positions is inviolable, and to those who are developing a socialist perspective for this party we share.

Finally, we must protest, as would any democrat, let alone a socialist, that Forward has been slandered as a spurious element in the party with Comrade Heap's epithet "cliques on the fringe". Surely, his long experience in the labor movement must have taught him that this is nothing but red-baiting. We find it hard to understand how this idea of making some left wingers "main stream" and others illegitimate serves the cause of socialism in the NDP, or anywhere else.

Even David Lewis, the veteran foe of the party left, conceded in his series on the history of the CCF/NDP that the party's character is pluralistic and open to the participation of the various currents of the left, including the Marxists. Can we expect less than this from a left militant like Dan Heap, who also on occasion calls himself a Marxist?

Yours in the struggle for socialist unity,  
The Editors.

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## Thanks to supporters

by the Editors

The Forward Fund Drive is now over and the tallies indicate that we raised over \$4,200 with some pledges still coming in—less than \$800 short of our original goal. Despite organizational problems that impeded the drive from getting underway on time, we must say that overall we didn't do too badly. You gave us enough to publish most of next year's set of issues. We intend to make up for this year's deficit by a better organized

drive next time.

The staff at Forward are grateful for all the contributions, large and small, which were sent in as a collective and individual commitment to build the voice of socialism in the NDP and the labor movement. In return, we will endeavour to meet our political responsibilities for our common task by regularizing Forward production and developing the kind of publishing consistency and discipline that will help build our subscription and circulation base.



RCMP crisis won't fade away

# Deeper than Watergate

by Ross Dowson

At the height of the sensational U.S. Senate committee investigation into the Watergate break-in and its White House connection, which made the names Dean, Haldeman, Ehrlichman and Mitchell Canadian household names, many scholarly essays by established sociologists and political scientists appeared in Canadian journals and on editorial pages of the daily press. Largely they were in praise of Canadian social and political structures which we were assured meant there would never be a Canadian Watergate—that it could not happen here.

Ignored was the fundamental nature of the system, the profit-driven, class-riven, anarchistic capitalist system that prevails on both sides of the U.S.-Canada border, the domination by the U.S. corporate elite of their junior Canadian counterparts

and the economy as a whole, and the permeation of U.S. values through every element of Canadian cultural and political life. Assurances were found in Canada's detached, non-elective judiciary; the stability of the appointed-for-life Senate; the elected party-cabinet-responsible prime minister; the constitution in the custody of the British mother of parliamentary democracy, the English monarch as head of the Canadian state. Some possibly even contrasted the highly autonomous, military-disciplined RCMP to the fast-on-the-draw FBI. Such differences between the structures and forms of the U.S. and the Canadian capitalist state apparatus were alleged to favor Canada not having a Watergate.

Watergate started with an incident—a break-in by five burglars of the offices of the Democratic Party National Committee in the Washing-

ton hotel on June 17, 1972. Within a span of months it led to a series of revelations that resulted in the resignation of the president of the United States of America—Richard Nixon—the imprisonment of numerous top White House aides and advisors, and the ignominious incarceration of the successor to the long reigning J. Edgar Hoover—Federal Bureau of Investigation head Patrick Gray, along with his acting associate director of the domestic intelligence division.

What is now being widely labelled as Canada's Watergate also commenced to unravel with an incident—an admission by a junior RCMP officer in March 1976 that he "had done worse things" than set off a bomb that he was charged with having done. With that admission, there commenced a series of revelations of RCMP crimes that can hardly be said

to take second place to the Watergate revelations, and at the same time a strategy of government cover-up that cannot be said to take second place to that of Nixon and his White House gang.

Ironically the "worse things" that this junior officer confessed to doing under the direction of higher-ups—how high up we do not yet know—were really only getting underway when the U.S. was already at the peak of its traumatic experience. Operation Odd Job—the illegal break-in, entry and theft at the offices of Agence Presse de Liberation du Québec (APLQ) and the Movement for the Defence of Quebec Political Prisoners (MDPPQ) took place on October 6-7 1972, some four months after the Watergate incident. Operation Ham—the illegal break-in, entry and theft of the computerized membership lists and financial and confidential records of the official opposition in the Quebec Legislature, the Parti Québécois—took place January 8-9 1973, seven months later, as Nixon's cover-up was cracking and then blown in March. It is hard to believe that the directors of these two massive, illegal operations were unaware of the mounting difficulties facing their counterparts and mentors as they plotted the details of their own illegalities.

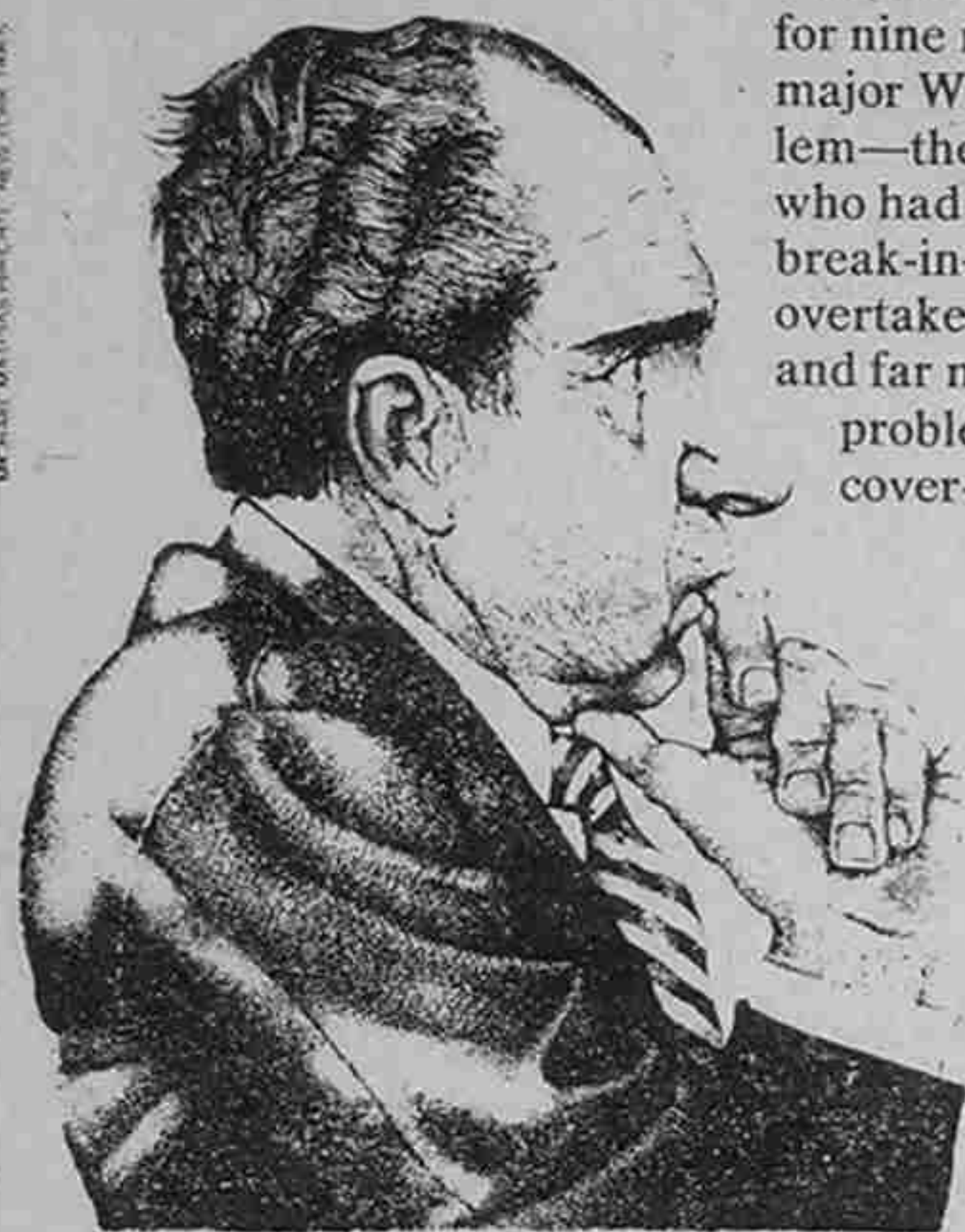
The actual Watergate break-in was a caper, a petty party shenanigan compared to either Operation Ham or Operation Odd Job, both of which, though known to hundreds of officials right up to the highest levels remained secret for almost four years. Operation Odd Job, possibly to implicate them all, was organized as a joint operation of key RCMP, Montreal and Quebec police forces against the offices of the APLQ and MDPPQ in the heart of downtown Montreal. RCMP participation was authorized by the highest RCMP security official in Quebec, the same who admitted to forging and disseminating to the media, in the name of the FLQ—a call to armed insurrection. The police carted away for detailed examination some 15 file drawers, almost a ton of lists of names and addresses, equipment, documents and pamphlets. The operation's purpose was to demobilize the APLQ and the MDPPQ and at the same time, through a "dirty trick", to set off internal conflicts in left circles.

Patterned on the formula of the FBI's COINTELPRO—a clandestine

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MICHAEL MATTHEW FORGET, NEW YORK TIMES



"...what I had assumed for nine months was the major Watergate problem—the question of who had authorized the break-in—had been overtaken by the new and far more serious problem of the cover-up."

program of harassments, frame-ups, provocations of various groups and individuals disapproved of by the FBI, which were to lead to the downfall of J. Edgar Hoover's heir—the RCMP dirty tricks were only coming into full flood. Det-Lieut. Gormier of the Montreal (city) police in an appearance before the McDonald Inquiry said that he had forgotten the details of the raid on the APLQ because the police were carrying out 10 raids a week similar to it.

It is hard to conceive of a more calculated, a more massive secret police operation during a period of relative social stability than Operation Ham. This illegal break-in, entry and theft involved five months of meticulous planning, hundreds of constables, the utilization of dozens of highly skilled technical aids from many different trades, two compromising dry runs to split-second timing, including a "disaster plan", in order to get the computer tape, transcribe it and return it five hours later, unknown to its custodians and owners.

As the list of RCMP violations of the law has continued to unravel, the government cover-up has become more desperate. When the question of the responsibility of government ministers for what takes place in their departments was raised, Trudeau counterposed to this the principle of the ministers right not-to-know and the concept of ministerial non-responsibility. While it first denied RCMP openings of private mail, then was compelled to admit that it had been going on for some 40 years, the government justified it—and even

prepared legislation to make it legal. When Ottawa was unable to block the Keable Commission's investigation of RCMP crimes in Quebec, by among other things withholding key documents, in the name of "executive privilege", it finally succeeded in demobilizing it through a ruling of the Supreme Court that violated provincial constitutional rights.

Forced to find a substitute for the Keable Commission, the government set up the hand-picked McDonald Commission now going into its second year of public and secret hearings. While the McDonald Commission could not help but add to the RCMP crime sheet and the government's record of cover-up, it has served essentially as a cabinet into which embarrassing matters are continually being filed away—possibly to be dealt with on some more propitious days in the future.

Seldom do the commissioners probe or challenge the testimony given before them. The justifications of the illegalities, no matter how cynical, are infrequently exposed, but rather passively recorded. In many respects the public hearings have even served as a sounding board for RCMP defence of its crimes.

The dispute that recently erupted between the commission, and the legal representatives of the government and the RCMP attached to it, over who would determine what evidence and testimony would be public or remain secret highlighted above all the secret character of the commission's operations. Even after Solicitor-General Fox agonizedly revealed

Operations Ham and Odd Job as the last and final break-ins by the security services, Inspector Cobb made a correction at a McDonald Inquiry session on January 11, 1978. "I have heard of one other operation," he said—this one outside of Quebec. Further testimony was blocked by the RCMP lawyer who declared that even legal arguments about why it should not be made public should be heard in private. After a short adjournment of the public hearing Judge McDonald stated that investigations and hearings on this operation would be heard later, "in camera, if necessary." Nine months later and not a word has been heard of this operation.

The McDonald Commission has not yet opened up hearings on the RCMP's recent period of harassment of the trade union movement—its gathering of information for the employers, its planting of spies and provocateurs in labor's ranks. It also hasn't got around to holding hearings on the three-year-long RCMP investigations of the NDP that involved infiltrations, investigations, buggings, and building files on party leaders and activists, that resulted in information on party finances and strategy being made available to cabinet members of its opponent Liberal party. On the basis of inquiries by the Ontario NDP leadership through Attorney-General McMurtry, RCMP authorities admitted to investigating the party, but claimed however, with a straight face, not to have investigated the party as such—just left-wing currents within the party.

The operation that seized Parti Québécois membership and financial contributor lists was also, of course, not directed against the PQ as such. The target was alleged to be "suspected terrorist infiltration of the PQ" and against an influx of "FLQ-ists and Marxists"—and so, presumably the operation was in the interests of the PQ itself as the RCMP saw things and accordingly acted. Although the former head of the RCMP security network told the Keable inquiry that the PQ is "subversive, seditious and in some cases treasonable".

In Washington's Watergate, culprits were found, the trail of suspects was pursued, even though it led right up to the highest elective post in the land, and a semblance of justice was done. Although its repercussions will be felt for decades to come, the system has not only survived and adjusted but it would appear to have even strengthened illusions that it does not need to be replaced by any new kind of system.

If the American system could with some justification be said to have worked, the same cannot be said for the Canadian system, faced with its Watergate. While it will have nothing like the impact on world politics of Washington's Watergate it is certain

to have a far-reaching effect on the future of Canada, perhaps even more than Washington's Watergate will have on the future of the U.S.

From the very first the Liberal machine and the entire state apparatus swung in behind the RCMP, along with the Tories, and even the NDP parliamentary caucus—although the NDP, the PQ and the organized labor movement are the main targets of the RCMP's massive campaign of illegalities. Central to Canada's Watergate is the preservation of the sacrosanct image of the RCMP, a quasi-military secret political police force that has long operated on the premise that all working class organizations, if not in law, are in actuality subversive, illegal, and fair game for any and every kind of harassment.

While an increasing number of brazen and outrageous violations of civil rights and the law continue to be exposed over a period of almost three years now, there are yet no accused on the dock. And no criminals are being held up to public scorn and contempt. The reason is clear.

We are confronted not with individual acts committed by individuals or even groups of individuals, but by procedures of such a long and established character, for which no commands or orders ever need be uttered, least of all written down, but which flow out of the style, the rooted tradition and the essential class character of Canadian state institutions.

Although specifically excluded by law from OHIP data and Unemployment Insurance Office SIN records, the latter's officials not only gave the RCMP unlimited access from the start but in 1969 gave it a Telex number so it could call directly to central index computer for information. Back in 1972 National Revenue Department officials, keeping provincial attorneys general who are responsible for law enforcement in the dark, agreed to RCMP access to income tax information.

The 1974 amendments to the Criminal Code caused the RCMP misgivings because it "took away the internal authority" and gave it to judges. The fears were unfounded. Judges refused only 8 and approved almost 2,000 bugs and wire taps. The number has doubled to a current average of 600 installations a year.

Thus the blowing of the cover-up in Canada's Watergate threatens to expose the total system and the state itself as an instrument of working class coercion and oppression.

The fact that there is no culprit such as Nixon, that there are no Mitchells's or Grays upon whom individual or even collective guilt can be fastened, is the dilemma that confronts the Trudeau government and the McDonald Commission and its critical supporters.



## Solidarity with the Postal Workers!

by the Editors

The 23,000 members of the Canadian Postal Workers Union have been beaten back to work. But they are by no means broken, although precisely that has been the aim of the post office administration, masterminded by the federal cabinet itself, for some years now. With the complete support of the loyal Progressive Conservative party opposition, and their joint Big Business sponsors, the government singled out the post office workers.

With them crushed, an opening would be made for a wide-ranging assault on all public service employees to establish this once again as an area of low wages, long hours and poor conditions.

And with that, the government's efforts to cutback and scale down the conditions won in years of struggle, primarily by the trade union movement, would take a savage leap. The government strategy was to be implemented by an all-out campaign promoted by the mass media to:

**Isolate the postal workers.** Make it difficult for the public, and particularly the rest of the organized labor movement, to identify with the postal workers. Make out that, if not the entire 23,000 members, at least the leaders are dupes of a bunch of potheads and lunatic fringe left-wingers. Issue official releases declaring that the union is out to win a work-week that will boil down to about 2 hours of actual working time on the job.

**Split their ranks.** With their contract expired back in June 1977, tie them up in negotiations and conciliation processes (the longest sittings of such a board in the history of Canadian labor) and completely deadend them by the time when they can legally strike, October 12, comes up. Then, declare that should they dare do what is completely legal, a law will be immediately passed that will make it illegal, and which if tested will bring down massive fines on every striker, officer, and on the union itself. If that dose of terror doesn't result in a devastating split in union ranks and start a massive back-

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## Rally to CUPW

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to-work movement which would housebreak the union, then:

**Smash the union head-on.** Declare that every striker will be fired and replaced. Terrorize the union with court injunctions, RCMP raids, legal suits against its officers, etc.

The CUPW leadership kept its cool in the face of these provocations. On the eve of the walkout, President Jean-Claude Parrot appeared before the Toronto membership which had recently elected what was characterized as a conservative leadership, and won resounding support for strike to back up their demands. He thereby united the majority with those who had jumped the gun.

The CUPW leadership challenged the bill, passed by less than one-third of the MPs, as unjust and not in the interests of those who had elected the MPs—but the employers. The NDP parliamentary caucus voted against the strikebreaking bill.

Sections of the labor movement commenced to rally to support of CUPW—school teacher federations, civil service locals and Canada's largest union, CUPE. The Letter Carriers refused to cross the picket lines and the Toronto Labor Council urged support of the picketing. But the CLC executive itself was paralyzed by internal division.

The overall situation was deteriorating for CUPW as the government turned the balance by issuing an ultimatum that those not back on the job would be fired. It dragged Parrot and the executive before the Ontario Supreme Court, as the BC court charged 31 CUPW members with defying parliament. And it sent the RCMP busting into CUPW offices and seizing union files.

The CUPW leadership responded by ordering the membership

back on the job. It thus preserved the unity of the union so that it could return to battle under more favorable conditions.

Who won? Certainly not the government! In a demonstration of enraged impotence, it stooped so low as to force Parrot to sign a statement that it itself had dictated, revoking the union's already-cancelled strike call. All the problems in the post office still remain, with an important difference. The workers return more united than before, their ranks hardened by these experiences.

The trial that now confronts the union leadership must be an occasion for the launching of a mighty cross-Canada campaign of support to CUPW.

The CUPW struggle must serve as a warning to all workers, but particularly to the civil service workers, of what the government has in store for them. It must impel these unions to commence to unify and prepare their forces for the next phase of the struggle.

*Solidarity with the embattled CUPW and its leadership!*

## Who's to blame?

Unemployment, along with inflation, is the scourge of the working class. It plagues its victims with continuing hardship and despair spread by the disease of capitalist overproduction. The true facts about the extent of the infestation belie the laundered statistics of government and big business status(quo)ticians.

NDP leader Ed Broadbent revealed to the people of Canada that the Liberal government has been suppressing the real data on the number of unemployed. He quoted a Liberal government memo telling local Manpower offices to hush up the much higher figures on unemployment they had gathered which flatly contradict the doctored data of Statistics Canada. We also now know that in places like the Maritimes and Newfoundland the national average of unemployed masks the tragic plight of workers in communities which suffer 25% and even 40% unemployment. The same could be said for the ridiculously high unemployment rate for women and youth.

Who's to blame?

Is it that the workers aren't productive enough? As things stand right now, there is a lot of idle capacity in the productive sectors of the economy. If we were more productive, we would be suffering even more layoffs. Is it that workers get paid too much? Since wage controls, workers have been getting less in real wages, yet unemployment has worsened.

Maybe workers ought to sacrifice more of their paycheques so that company profits will go up so that investment will expand and then we'll get back to normal? But if that happens then how will workers keep up consumer demand for goods so that companies can make profits? Perhaps by selling abroad. But the same thing is happening to workers abroad. That's why we have an international recession coupled with a trade war.

One thing is for sure. All the capitalist measures amount to making the workers pay for the crisis of an economic system for which they produce the wealth. The high profits and expansion of production before the recession, a result of the workers' efforts, were supposed to provide benefits for all. Now we are left with the hangover of unemployment for the workers who are expected to pay for the capitalists' declining profits and surplus production. It seems that unemployment is the inexorable outcome of production for profit.

To protect their interests, workers must demand that the employers shorten working hours to spread the jobs around and maintain the previous pay so that workers will be able to buy necessary goods. That is the idea behind 30 for 40—30 hours' work at 40 hours' pay. If the employers poor-mouth us and refuse, then they must accept the responsibility for unemployment and stagnation.

Our response is clear: if the capitalist mode of production cannot provide prosperity and full employment despite all the material and human wealth at its disposal, then we propose a thrifty alternative of socialist planning of production by the producers of wealth with the aim of full utilization of all human and material resources to satisfy human needs regardless of profitability.



# Oh Canada

By Paul Kane

Back in 1952 the U.S. Merchant lords Sears Roebuck and Co. Ltd. moved in with Robert Simpsons Ltd., founded in Canada in 1872. It set up Simpsons-Sears Ltd. with each owning 41% equity interest and 50% voting interests. Taking over Simpsons' mail order business the new operation soon expanded into 800 order offices and 60 department stores—with Simpsons operating 20 department stores. The new operation furthered the inevitable process of monopolization under capitalism by driving thousands of small merchants scattered across the highways and byways into bankruptcy. Even Eatons mail order fell before Simpsons-Sears. The process of imperialization was also speeded up. Phase I of the takeover was completed when the 1977 reported sales of Simpsons-Sears stood at \$2.1 billion, while Simpsons totalled \$639 million.

The Chicago-based Sears Roebuck moved to Phase II this mid-August with the announcement in principle of the formal merger of Simpsons with Simpsons-Sears. Sears Roebuck will have effective control of the new merchandizing operation through its holding the largest single block of shares—30.8 million of a total 90.5 million. Simpsons President E.G. Burton has declined to comment on the issue of foreign control but claimed neither party initiated the merger—it just evolved, he said, "from a mutuality of interests."

This development pushes the privately owned Canadian merchandizing operations founded by Timothy Eaton down to second, if not third, place.

...

Canadian workers have been confronted by a continuing propaganda barrage that their wages are too high, that they are not productive enough, and that they are thus pricing Canadian goods out of the world market.

The importing of finished goods into Canada, as against Canada's export of finished goods, has resulted in an \$1.1 billion a year deficit. But that is least of all due to high prices of Canadian goods even discounting the mark-up to cover the bosses' salaries and side-benefits, interest and dividends accruing to the corporate owners. The giant U.S. corporations which carve up the world markets, where they haven't been phas-

ing them down and out, have been more and more restricting their Canadian branch plant operations to the Canadian market. Nonetheless Canada traded such a flood of raw materials and partially fabricated goods that it more than offset this manufactured goods deficit—resulting in a \$3 billion overall surplus in goods trade.

Aside from the trade restrictions imposed on Canadian manufacture by foreign ownership, a major problem in Canada's trade balance is the services balance. There was a \$3.5 billion net outflow of interest and dividends as the "service cost" of the foreign investment in Canada.

Not wanting to really face up to the challenge posed by these facts some cautious observers of this critical scene hope to ease off the pressures by seeking to reverse the trend of U.S. owners drastically cutting back or even eliminating research and development in their Canadian operations.

While, in the name of economy and conservation, they are drastically cutting back social services, Big Business interests are preparing to allocate colossal accumulations of public funds to the purchase of foreign-made military hardware. Notwithstanding its immediate effect on the balance of trade and the ultimate purpose of this murderous equipment, they wax lyrical about its so-called beneficent "offset" opportunities—the subcontracting and the research and development for the Canadian aerospace industry that they hope will go along with it.

However, a paper presented last month to the annual meeting of the Air Industries Association cautiously discounted this on several grounds. U.S. Congress is seeking to restrict the export of technology. Canada will seldom if ever be on the front line of U.S. technology in critical areas because of military security. Single, once-only, programs don't develop or hold the scientists, engineers and technicians needed to develop such a field, etc. "In many instances," it noted, offsetting work "is more likely an opportunity which results in the transfer to Canada of obsolescent technology."

There is no question at all that the NDP and the labor movement need to develop and unite their forces behind an industrial strategy that will result in a fundamental change

in the economy—with public investment, public ownership and national planning in the interests of the working people of Canada placed to the fore.

...

The Geneva-based World Council of Churches, which grants funds to organizations and movements opposing social injustice across the globe, has extended aid to the Native Peoples movements in Canada's far north. The Council's recent contribution to the Patriotic Front in Zimbabwe (Rhodesia) locked in armed struggle with the Smith regime, caused the Salvation Army to suspend its membership in the WCC which numbers 288 member churches in 100 countries.

The Council has allocated \$17,500 to the Dene Brotherhood and made a grant of \$12,500 to the Canadian Hunters and Trappers Association, representing the Inuit of the Baker Lake area. The Inuit plan to use the funds to finance their legal struggle to get a permanent court injunction against uranium exploration in their lands. President George Erasmus of the Dene Nation said the funds will be used to establish a self-governing Indian Territory within Canada. He hailed the grant as a "gesture of recognition by a world body."

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## ON THE LINE



### Union campaign to organize bank workers makes gains

Whatever becomes of the militant women who came together in the now defunct United Bank Workers in BC and Saskatchewan, it would appear that a concerted drive to organize bank workers across Canada is now underway.

Last June in Western Ontario, a group of employees in a Simcoe branch of the Bank of Nova Scotia, with the aid of the Canadian Chemical Workers Union—a breakaway from the U.S.-based International Chemical Workers Union—were the first to be certified specifically to represent bank and financial institution employees. A Labor Relations Board ruling that banks could be organized on a branch basis appeared to open up new possibilities of unionization and stimulated the process.

At the same time the tiny militant Service Office and Retail Workers Union, organizing on a feminist basis across the jurisdictions established by the mainstream of the trade union movement, launched the United Bank Workers. It quickly organized and won certification in 22 bank branches in BC and two in Saskatchewan. Only a few weeks ago the rise of the United Bank Workers was revealed to have been much like that of a skyrocket—up just as fast but out just as quick. Its officers took the startling step of asking that certifications be withdrawn from 22 of the 24 branches that it had signed up in BC. According to its president, Charlotte Johnson, "it was the

members themselves who made the decision...we could not afford to pay people to negotiate, neither were we in a strong enough position to strike." Statements by others prominent in this highly spontaneous formation blamed the employers for not taking the union seriously in negotiations and for a lack of what they appear to have only recently come to see as a key to success—support from the Canadian Labor Congress. The SORWUC has not recommended any course of action to the two remaining certified branches.

The CLC and various affiliates, which had done little or nothing to strengthen labor by organizing the growing ranks of white collar workers since the collapse of the 1973 campaign among workers in insurance and financial institutions, were jolted into action by these developments. The Retail Clerks International Union has won nine certifications with another eight or nine pending. Local 15 of the Office and Technical Employees Union—an affiliate of the Office and Professional Employees International Union—has won certification in four BC bank branches.

Last March the CLC leadership itself moved in behind the Western Ontario bank workers organized as the Canadian Union of Bank Employees and granted them a charter. On September 15th the union added to a Bank of Montreal Ottawa branch, the certification of the Canadian Imperial Bank of Commerce in St. Catharines, Ontario.

### Fake Bldg Trades autonomy

The U.S.-based leadership of the building and construction trades unions has finally delivered on its assurances that the Canadian membership will be granted the democratic rights spelled out by the Canadian Labor Congress guidelines on Canadian autonomy.

The guidelines include election of Canadian officers by Canadians, determination of policies dealing with Canadian affairs by elected Canadian officers and/or members, and authority to be vested in Canadian elected representatives to speak for the union in Canada. Following several of the internationals' black-mailing the CLC by withholding their dues, former CLC President Joe Morris claimed to have got the Washington leaderships to agree to conform to some of the essential elements of autonomy vigorously demanded by the delegates to the 1974 Vancouver convention.

While the Ironworkers and Painters continue to withhold their dues, this summer saw the staging of the first Canadian convention of the building and construction trades unions. There were 161 delegates assembled in Toronto in the name of the 400,000 Canadian members of the 15 building trades unions in this first of what are to be biennial conventions. But it was a travesty of democracy from start to finish—the rank and file's voice being heard only mutedly through the elected representatives of the ten provincial building trades councils whose attempts to get on the executive board were shouted down. Some 147 of the total 161 delegates were appointed by Robert Georgine, president of the Building Trades Departments of the AFL-CIO, who, accompanied by the general presidents of the 15 construction unions flew in from Washington to run the show.

Not only were almost all the delegates hand-picked but a month before they even assembled Georgine appointed the Canadian executive, along with other committees, including the convention resolutions committee. The executive is composed of the senior Canadian officers of each of the 15 international unions.

Heading this executive of appointees is Ken Rose a vice-president of the International Brotherhood of Electrical workers whose 4,200-member Toronto local is under an internationally-imposed trusteeship. Rose is a member of the Canadian Labor Congress executive council.

The U.S. brass' arrogant rejection of attempts to have the new Canadian board encompass the representatives of the Canadian provincial building trades councils was too much for Maurice Beaulieu of the Quebec Council who protested against finding "everything fixed." Cy Stairs of the BC and Yukon Council commented: "It might not have been so bad to have a little input from us down here in the dirt."

Georgine cynically admitted that the new rump executive board does not meet CLC autonomy guidelines, challenging that "If you feel they (the CLC) can do a job for you go to that forum." "Work within the system," he admonished the delegates. His assurances that "You've come a long way," were echoed by Rose's that "Rome wasn't built in a day."

The U.S. trade union bureaucracy's hands have been strengthened by the Ontario Tory government's enactment of province-wide bargaining in the construction industry and now the recent settlement whereby the construction bosses recognize the Carpenters as having jurisdiction over work now being performed by members of other unions—in particular dry-wall installation. The government recognizes the joint labor-management board, ensconced across the border in Washington, as having authority to arbitrate any dispute over jurisdiction in Canada.

The failure of the CLC executive council to bring its weight to bear against U.S. trusteeships such as have been imposed on the Toronto IBEW local, supported by one of its own members, its toleration of affiliates' defiance of the guidelines on Canadian autonomy, and affiliates' black-mail of the council by withholding dues with impunity, makes it party to the violation of the democratic rights of its affiliate membership.